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ABSTRACT

Case studies were conducted of nine Comprehensive Employment and Training Act (CETA) prime sponsors which had records of successful cooperation with business firms. To identify strategies employed for increasing the participation of private employers in CETA programs, information was obtained at each site about the local program, labor market, population and enrollee characteristics, placements, relationships with service deliverers and business organizations, and employers' perceptions of the CETA program. Findings which were evident in most, although often not all, of the prime sponsors surveyed included these: (1) the local unemployment rate was only one among several factors influencing employers' participation, (2) a large majority of the on-the-job training and classroom training placements took place in smaller establishments, (3) state and local government agencies together with community organizations accounted for over half the membership of the planning councils, and (4) there was evidence of enrollee selectivity in the program involving the maximum employer participation. Following the introductory overview and summary, the bulk of the document focuses on descriptions of the individual prime sponsors. Descriptions are provided of their individual characteristics, program priorities, linkages with employers, and placement and training records. The final chapter discusses implications for policy. A description of the federal CETA reporting system is appended. (LRA)

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Involving Private Employers in CETA Programs: A Case Study



R&D Monograph 75

U.S. Department of Labor
Ray Marshall, Secretary
Employment and Training Administration
Ernest G. Green
Assistant Secretary for Employment and Training
1979

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Analyses of the results of the most significant of these studies, descriptions of process, handbooks of procedures, or other products designed specifically for planners, administrators, and operators in the CETA system are issued as monographs in a continuing series. Information concerning all projects in process or completed during the previous 3 years is contained in an annual catalog of activities, Research and Development Projects. This publication and those in the monograph series may be obtained, upon request, from:

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FOREWORD

This monograph outlines the findings and results of a series of studies focusing on strategies employed by prime sponsors for increasing the participation of private sector employers in local CETA programs. Data were collected from intensive case studies in nine CETA prime sponsor locations with records of successful cooperation with business firms.

The monograph points out that the various strategies employed by the prime sponsor to link CETA to the business community are very significant in getting private employer participation in hiring, training, and planning in the public employment and training program. Emphasis is given to the need for reduction of "redtape," and the necessity of prime sponsor coordination with the local economic development efforts.

Observations and specific recommendations for improving prime sponsor activities with the private business sector are included for review and recommendation.

HOWARD ROSEN
Director
Office of Research
and Development

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The Problem

Five out of six nonfarm wage and salary workers in the United States are employed in the private sector. The federally-supported employment and training programs, since their inception, have given a high priority to preparing disadvantaged and unemployed persons to obtain regular unsubsidized jobs with private employers. Occupational training, remedial education, placement assistance, and supporting services have figured in national employment and training policy since the enactment of the Manpower Development and Training Act of 1962. An emphasis on training for unsubsidized employment, largely employment in the private sector, constitutes a critical element in the current legislation, the Comprehensive Employment and Training Act. The CETA legislation shifts the responsibility for these programs to new local public bodies, the prime sponsors. This report represents the findings of a series of case studies of nine prime sponsors undertaken by The Conference Board for the Employment and Training Administration of the Department of Labor. The study seeks to assess the economic, organizational, political, and social factors facilitating the involvement of private employers in local CETA programs. The objective of the research has been to utilize this information to identify strategies that work in increasing the participation of the business community in planning, placement, and training in these programs.

Statements of legislative goals and administration objectives, and in prime sponsors' annual plans, have all emphasized the importance of a sustained effort to place disadvantaged persons in regular jobs. In recognition of this objective, the dollars spent to prepare CETA enrollees for unsubsidized employment have increased substantially in the past five years. But, as unemployment rose in the 1974-1975 recession, and then declined slowly, training and work experience programs have come to receive something less than a predominant role in most prime sponsors' programs. The major increases in CETA expenditures in the years before 1979 have taken place in public service employment. The relevant priorities show up in comparing CETA's program expenditures for fiscal year 1978 with those in the 1975 fiscal year (see Table 1).

Table 1

CETA Program Expenditures, Fiscal Years 1975 and 1978

Program	Expenditures (in millions of dollars)		Percent Distribution	
	1975	1978	1975	1978
Training	\$ 752	\$1,648	24.6%	17.0%
OJT	118	399	3.9	4.1
Classroom training	634	1,249	20.3	12.9
Work Experience	1,355	2,023	44.4	20.9
Public Service Employment	900	5,803	29.5	60.0
Other	47	202	1.5	2.1
TOTAL	\$3,054	\$9,676	100.0%	100.0%

Source: Congressional Budget Office, CETA Reauthorization Issues, 1978, P.5

The dollar amounts spent for training programs more than doubled between the 1975 and 1978 fiscal years, but they declined from about a fourth to about a sixth of all CETA program outlays. The percentage decline in the training programs was concentrated in classroom training programs. Spending for the different work experience projects also increased substantially in dollars. However, the outlays for this program fell even more sharply as a share of the total. By the 1978 fiscal year, primarily because of concern with cyclical unemployment, three out of five CETA dollars were spent for public service employment programs. The CETA reauthorization legislation of 1978 and the Administration's budget proposals for fiscal 1979 and 1980 have called for a reversal of the priorities implied by these changes in expenditures by assigning a greater role to preparation for employment in the private sector. The importance attached to new strategies to attract greater involvement by the business community in CETA is underscored by the inclusion in the 1978 legislation of a new title, Title VII, providing for the establishment of Private Industry Councils in local communities to serve as a link between prime sponsors and private employers.^{1/}

The prevalence of high unemployment rates during most of the 1970's has frequently been cited as the major barrier to placing a greater emphasis on programs intended to prepare CETA clients for regular unsubsidized jobs. The unemployment rate is important because it limits the options available to prime

^{1/} Title VII, Comprehensive Employment and Training Act Amendments of 1978.

sponsors seeking to place CETA clients in jobs in the private sector. The extent to which these options are taken advantage of depends on the strategies used by prime sponsors to attract employers to their programs. As the economy-wide unemployment rates in 1978 and early 1979 have declined to levels of six percent or less, shortages have been reported in many areas for electronic technicians, machinists, in data processing occupations, for secretaries, and for others. These developments, together with a larger role for training more highly skilled workers in CETA, as in the recent Skill Training Improvement Program (STIP), make it evident that opportunities now exist for substantially more placements in unsubsidized employment than was the case two or three years ago. The recent expansion in opportunities for private sector placements adds to the importance of identifying the strategies that work, and adapting and making use of them throughout the CETA program.

The persistence of high unemployment rates among young people, blacks and other minorities, or persons lacking a high school education suggests that programs aimed at preparing persons in these groups for regular jobs will continue as an important aspect of national economic policy in the decade ahead. The presence of sharp inflationary pressures sets limits to the Federal Government's ability to make use of monetary and fiscal policies to bring about the rapid economic growth that could lead to significant reductions in unemployment for persons in disadvantaged groups. Moreover, economic growth in the past has typically bypassed many of the individuals with labor market handicaps. They are the individuals regarded as "structurally unemployed" because they lack the skills, the education, or the work experience needed to obtain entry into jobs in the private sector. The changes in the makeup of the labor force in the past decade have increased the representation of the groups bypassed by growth. More effective strategies for absorbing the members of these groups into regular employment serve their needs, and they help to overcome the personnel bottlenecks which contribute to inflation.

The Case Studies

The overall bearing of this report is that the strategies prime sponsors employ make a significant difference for their success in involving employers. The Conference Board's survey of the experience of nine prime sponsors supplies the basis for this assertion. The survey identifies problems to be overcome, and strategies that have worked in specific cases which are frequently replicable, with adaptation to local circumstances, in many other areas.

The prime sponsors included in the case studies were selected in consultation with the Department of Labor. The local CETA programs represented are as follows:

Albuquerque-Bernalillo County, New Mexico
Cincinnati, Ohio
Fort Worth Consortium, Texas

Milwaukee County, Wisconsin
New Haven Consortium, Connecticut
Passaic County, New Jersey
Sacramento-Yolo Consortium, California
State of South Carolina
Wichita, Kansas

The prime sponsors surveyed differed in their location, size, community and enrollee characteristics, and their economic environment. They included citywide prime sponsorships, (such as Cincinnati), consortia, (such as the Sacramento-Yolo Consortium), and a statewide unit, South Carolina. The full range of unemployment rates at the time were illustrated by the areas selected. They included Fort Worth and Wichita with rates of slightly more than five percent, and Albuquerque, New Haven, and Passaic with rates amounting to 9.5 percent or greater. The economywide unemployment rate was 7.6 percent. The differences in population characteristics spanned a similar range. For instance, less than a tenth, 9 percent, of the Milwaukee area population were characterized as "economically disadvantaged". The comparable percentage for the state of South Carolina was nearly a fourth, 24 percent.

The nine prime sponsors also differed in the priorities they placed on skill training in preparing CETA clients for jobs. In Wichita, for example, virtually all of the enrollees in the Title I programs intended to lead to unsubsidized jobs were either in classroom training or in on-the-job training programs. In New Haven, to cite another instance, about five-eighths, 62 percent, of the Title I enrollees were participating in work experience or public service employment programs.

The case study approach was chosen for the study because in-depth interviews in the local prime sponsor's area, together with the data gathered at each site, make it feasible to focus on the processes involved in prime sponsor-business community relationships. They make it possible to probe underlying attitudes of CETA staff and employers, to gain insight into the workings of the local CETA program, and to understand why prime sponsors have chosen particular approaches in seeking to involve local employers in their programs. While the nine prime sponsors make up a judgmentally selected sample rather than one chosen on a probability basis, they approximate a purposive sample illustrating the problems faced and the strategies employed in many different areas.

A small team spent a week or more at each of the prime sponsor's sites interviewing CETA staff, members of the Planning Councils, organizations performing services for the prime sponsor, political leaders, employers, and leaders of local business organizations. Information was obtained at each site about the local program, labor market, population and enrollee characteristics, placements, relationships with service deliverers and business organizations, and employers' perceptions of the local CETA program. Approximately 275 different information sources, including 68 employers, were interviewed during the study.^{2/}

^{2/} For a listing of the persons and organizations contacted, see Appendix C.

The field research in the case studies was done in the Fall of 1976 and in 1977. The data and findings presented refer to the experiences at that time, and to the legislative guidelines and categories then in operation. The discussions of programs, enrollments, and placements frequently refer to Title I, the legislative title at the time, including the training and work experience programs intended to prepare CETA clients for unsubsidized employment. Title I has been superseded by Title II in the 1978 CETA legislation, and it has been supplemented by Title VII. However, the issues considered and the strategies discussed focus on prime sponsors' relationships with the private sector, and they are generally applicable to the experience under the new legislation as well as to its predecessor. Where current developments have introduced new prospects for attracting employers, they receive consideration. The Private Industry Councils established in Title VII of the new CETA legislation represent an instance.

Summary of Findings

The case studies point to a series of findings which were evident in most, although often not all, of the prime sponsorships surveyed. These findings showed up with sufficient regularity to assume that they reflect more general tendencies in local CETA programs. They are:

1. The local unemployment rate was only one among several important factors influencing employers' participation in CETA programs. Low rates were sometimes accompanied by limited employer involvement, while high rates did not pose an insuperable barrier in attracting employers.
2. A large majority of the OJT and classroom training placements took place in smaller establishments. The larger establishments, those employing 500 or more persons, were seriously underrepresented in placements in most of the sites visited.
3. While the Employment Service was important in job and OJT program development in most areas, this organization was usually only one among a number of agencies performing these functions. Community-based organizations, such as the Urban League, made up the largest single group of job development organizations in the sites visited.
4. State and local government agencies together with community organizations accounted for over half the membership of the planning councils in the nine prime sponsorships. These organizations were typically actual or prospective recipients of local CETA funds for performing services.
5. There was considerable evidence of enrollee selectivity in the program involving the maximum employer participation, on-the-job training. Nonwhites and economically disadvantaged persons frequently made up a smaller percentage of the OJT enrollment than in the Title I programs generally.

6. The placements of enrollees following CETA skill training programs were concentrated in selected fields providing many entry level positions. Slightly more than half the OJT enrollees placed found jobs in operative or clerical positions. Over three-fifths of the placements following classroom training were in clerical or operatives jobs.
7. The National Alliance of Business was typically in an inactive relationship with the local prime sponsor. There were NAB Metro offices in eight of the nine sites visited. There was an active relationship in three sites. Local Chambers of Commerce were the business organization most likely to become involved in an active association with the prime sponsors.
8. Placements following skill training in prime sponsorships with strong linkages with their business community very largely took place in private-for-profit firms. Prime sponsors with more limited linkages with the business sector placed a substantial percentage of their skill training enrollees in government agencies or nonprofit organizations.
9. The employers interviewed who had been involved in OJT programs held a more favorable perception of the CETA program than the employers lacking an OJT involvement. Both groups were concerned with the unfavorable effects of participation on their firm's internal operations. The large volume of paperwork figured prominently among the unfavorable effects.
10. The employers holding OJT contracts who were interviewed cited the subsidies or labor shortages as their primary incentives for participation. Equal employment and community responsibility considerations were cited but they were minor factors in the decision to participate.
11. Greater subsidies or tax incentives were the employers' primary recommendations for increasing business participation in CETA training programs. Smaller employers typically favored larger subsidies while large employers emphasized greater tax incentives.
12. The political philosophy of the local business or political leadership typically had little bearing on prime sponsors' ability to involve employers in their program. Where prime sponsors adapted their programs to serve as a realistic source of trained labor for employers, conservative business communities supported the local CETA effort.

The summary findings omit several elements which are difficult to identify with specific responses to a question in an interview guide or a specific item in a data request. For instance, one of the strong impressions in most of the sites visited was a sense of the low visibility of the CETA program in the business community. The employers who were not involved in the OJT program were usually only vaguely aware, if at all, that a CETA training program existed in the community which could help fill their personnel needs. These

employers were more likely to identify CETA with public service employment or with the summer youth job program than with efforts to train and place persons in regular jobs in firms such as their own. One of the important byproducts of the Private Industry Councils set up under the new Title VII of the 1978 CETA legislation should be to increase the visibility of the local programs in the business community.

The Prototype for Successful Involvement

The survey of the nine prime sponsors suggests that there is an underlying prototype characterizing the local CETA programs that have been more successful in attracting private employers to their programs. The prototype can be considered in terms of four factors that influenced employers decisions to participate. They are the local unemployment rate, the prime sponsor's sensitivity to employers needs, innovations in job development, and the local CETA organization's active linkages with community business groups. The support of local political leadership was also important, but it is not listed separately because in the sites surveyed, it coincided with active linkages by CETA with business organizations.

The elements entering into the four factors, other than the unemployment rate, represent staff assessments based on the field research. To make their content clear, all four are defined below.

Unemployment rate:

Relationship of the rate in the prime sponsor's area to the national average.

Sensitivity to
employers' needs:

Includes such factors as expressed attitude toward participation by business, efforts to minimize "red tape" for employers, use of marketing and labor market analysis to identify and anticipate employers' vacancies, screening services performed for employers, and efforts to tailor training programs to meet employers' needs.

Innovations in job
development:

Use of new approaches by established service deliverers, and use of new types of job developers such as unions and trade associations, private firms, or nonprofit firms other than community-based organizations set up for job development purposes.

Active linkages
with business
organizations:

Representation of prime sponsor in
local economic development organizations
or contractual arrangements with business
groups such as the Chamber of Commerce or
NAB to provide services.

The influence of these factors is evident in the percentage of "indirect" placements, the placements of enrollees receiving services from the prime sponsor, accounted for by on-the-job training. On-the-job training makes up a relevant indicator because the trainee is placed on the employer's payroll and trained at the worksite. OJT, therefore, involves the most active participation by employers in local CETA programs. The importance of the four factors also shows up in a rating of the access of each prime sponsor to local employers. This is shown by a judgmental rating, on a scale ranging from one to four, of the extent to which the local CETA program had established its credibility in the business community, and had succeeded in involving employers and business organizations in planning and publicity as well as in placement. A rating of this type is significant because it represents an assessment of future potential in attracting employers, say, as unemployment rates decline, as well as an indicator of present performance. Differences similar to the ones listed for OJT are also evident in the percentage of indirect placements made up of placements from classroom training. It is believed, although no separate study has been made, that similar findings would show up if data were available on the percentage of these placements represented by the adult work experience component of the work experience programs (see Table 2).

Table 2

Influence of Strategic Factors on OJT Placements
and Access to Private Employers,
Nine Prime Sponsors, 1977 (a)

<u>Factor</u>	<u>No. of Cases</u>	<u>Percent of Indirect Placements Made Up By OJT</u>	<u>Access to Employers (b)</u>
Unemployment Rate			
Below national average	4	29.0%	2.8
Above national average	5	15.0	2.2
Prime Sponsor sensitivity to employer needs			
Yes	4	25.0	3.5
No	5	18.0	1.6
Innovations in job development			
Yes	5	25.0	3.3
No	4	16.0	1.8
Active linkages with business organizations			
Yes	5	22.0	3.2
No	4	19.0	1.5

(a) data listed for 1977 refers to period October 1, 1976 to March 31, 1977.

(b) 1 = low access; 4 = high access.

It is apparent that no one factor dominated the more successful outcomes. While below-average unemployment rates characterized most prime sponsors with strong records of private sector involvement, the unemployment rate, by itself, did not determine the weight of OJT in the total indirect placements. The unemployment rate was of limited importance in evaluating the prime sponsor's access to the business community. Innovations in job development were of approximately equal importance to the unemployment rate for the OJT placements, and a greater influence on access to employers. Sensitivity to employers' needs and linkages with business organizations made a difference both in a higher proportion of indirect placements from OJT and, even more, in access to employers.

The experience of the Fort Worth and Cincinnati prime sponsors illustrates the contention that a low unemployment rate need not translate into a high level of private sector participation in local CETA programs, and that an above average rate need not pose an insuperable barrier to involving private employers in prime sponsors' activities. Fort Worth was tied with Wichita as the prime sponsor with the lowest unemployment rate among the nine surveyed. At the time of the site visit, it was in the neighborhood of five percent. However, a large majority of the OJT placements in Fort Worth were in State and local government agencies or in non-profit organizations. There was virtually no communication between the prime sponsor and local business groups, such as the Chamber of Commerce. The unemployment rate in Cincinnati, when the field visit was made was 8.6 percent, one percentage point higher than the national average. The strong support of the business community for the prime sponsor's program was apparent in their active participation in the planning council. This support was also shown by the inclusion of CETA skill training programs as part of the package offered to persuade a large national retail chain to establish a regional distribution center in the area. One of the inducements influencing the company's decision was the ability of local business groups to assure the firm that a trained work force would be available to them, a work force trained in good part by the prime sponsors in the Cincinnati area.

The field studies showed that the prime sponsors who indicated favorable responses on one of the factors encouraging business participation also typically showed favorable responses for the others. The four prime sponsors regarded as generally the more successful ones in attracting private sector support were Cincinnati, Milwaukee, South Carolina, and Wichita. These prime sponsors were credited with a favorable response on at least three of the four factors regarded as significant (see Table 3).

Table 3
Strategic Factors Characterizing Prime Sponsors
With More Successful Private Sector Involvement, 1977

Prime Sponsor	Strategic Factor			
	Below-Average Unemployment Rate	Sensitivity to Employer Needs	Innovations in Job De- velopment	Active Formal Linkages with Business Organizations
Cincinnati	No	Yes	Yes	Yes
Milwaukee	Yes	Yes	Yes	Yes
South Carolina	Yes	Yes	Yes	Yes
Wichita	Yes	Yes	Yes	No

All four of the more successful prime sponsors indicated favorable responses on two of the strategic factors. They were the responses on sensitivity to employers' needs and innovations in job development. Two of the prime sponsors, Milwaukee and South Carolina, showed favorable responses for all four factors. While a "no" response is listed for Wichita for formal linkages with business organizations, this prime sponsor was unique among the nine surveyed in its effective but informal association with the local Chamber of Commerce. None of the other five prime sponsors showed a favorable response on more than two strategic factors, and four of the five listed only one favorable response. It is of some significance that two of the more successful prime sponsors, Milwaukee and Wichita, were distinguished by a concentration of large firms with headquarters in their areas.

Employers' Attitudes Toward the CETA Program

Employers' attitudes toward CETA have frequently constituted a barrier to greater private sector involvement in the program. These attitudes are often colored by apprehensions based on newspaper or television reports or by earlier experiences in employment and training programs. Interviews with employers suggest that the most widely held apprehensions were a concern with trainee quality and a fear of unfavorable effects of participation in programs such as OJT on the internal operations of their firms. The interviews also showed that the primary incentives for involvement were the subsidies offered employers who participated or the inducement created by labor shortages.

These findings are based on a series of questions asked in interviews with 68 employers in nine States. The interviews dealt with participation in the on-the-job training programs. The interpretations given to the responses should be qualified in the light of the small number of respondents and the method of their selection. Most were interviewed at the prime sponsors' recommendation while others, generally larger employers, were included at the nomination of the project staff. Allowing for these caveats, the frequency with which similar responses were given by employers in different areas suggests that the responses reflect widely held attitudes in the business community. The employers who were interviewed included slightly fewer than half, 30, who were currently involved in OJT programs, and somewhat more than half, 38, who were not currently involved or who had never participated.

Reasons for participation or nonparticipation are evident in the apprehensions expressed by the employers about the CETA programs. It is also apparent from the responses that there were important differences in the perceptions of the CETA program held by employers who had participated in OJT and those who had not (see Table 4).

Table 4

Employers' Apprehensions About Participating in CETA
OJT Programs, Nine Prime Sponsors, 1977

<u>Apprehension</u>	Responses of Employers Who		<u>Total</u>
	<u>Had Participated in OJT</u>	<u>Had Not Participated In OJT</u>	
Excessive Program Cost	2	2	4
Poor Trainee Quality	15	11	26
Poor Quality of CETA or Service Deliverer Staff	3	12	15
Unfavorable Effects on Employers' Internal Operations	8	9	17
Excessive Government Interference	4	11	15
No Apprehensions	<u>13</u>	<u>7</u>	<u>20</u>
Total Responses	45	52	97

Both employers with and without experience in OJT programs were concerned with the unfavorable effects of participation on their firms' internal operations. The unfavorable effects could include a need for extra facilities or supervision, additional record keeping brought about by involvement, or fears of possible complications with the unions representing their employees. The apprehensions did not focus on questions of excessive cost. This was one of the concerns expressed least frequently by employers. Both groups of employers indicated a concern with what they regarded as poor trainee quality. This apprehension referred to the trainees' motivation, work attitudes, absenteeism, and basic academic skills as well as to their specific occupational skills. But, in a separate question, a large majority of the employers with a current involvement in OJT evaluated their trainees' job performance as "average" or better.

The nonparticipants were far more likely to be apprehensive about CETA staff quality than the employers with a record of involvement in the program. Only four employers with OJT experience feared excessive government interference because of their participation. Eleven of the employers without experience with an OJT program expressed this concern. The employers who had

participated were considerably more likely to voice no apprehensions about OJT involvement than were the others. To a considerable extent, the differences in participation and apprehensions are associated with differences in the size of the employers making the responses. The large establishments, those with 500 or more employees, were predominantly in the nonparticipating groups of firms. They were the group who were concerned with the calibre of CETA staff or government interference. The smaller employers were more typically involved in OJT programs, and they made up a substantial majority of the group with fewer unfavorable responses.

The interviews with employers currently involved in OJT programs indicated that their primary motive for participation was economic. Equal employment or community responsibility considerations were present, but they were lesser reasons for participation, or they supplemented the economic incentives (see Table 5).

Table 5

Reasons for Participating in OJT Programs,
Employers With Current OJT Contracts,
Nine Prime Sponsors, 1977

<u>Reasons for Participation</u>	<u>Number of Responses</u>
Financial	17
Labor Shortage	19
Community Responsibility	3
Equal Employment Considerations	3
Other	5
Total Responses	47

The subsidies were often especially important to smaller employers, since subsidies ranging up to 50 percent of the wages paid OJT enrollees for as long as six months could ease their cash flow problems. The significance of labor shortages as an inducement to employers underscores the need to identify the occupations in local demand in planning CETA training programs. The shortages are frequently due to rapid growth in individual local firms or to overall economic expansion. Many shortages come about as employers seek to replace losses due to deaths, retirements, or other withdrawals from their work force. In areas of slow growth, as in the older cities of the Northeast and Midwest, replacement demand in strategic occupations can fre-

quently create job openings for trained workers which offer prospects for placing CETA enrollees.

The importance attached to economic incentives by employers, and their frequent apprehensions about participating in CETA programs, stress the fact that both employers and CETA clients must be served if the business community is to become involved in prime sponsors' programs. It is the responsibility of the CETA staff and the organizations associated with them to think in terms of helping the disadvantaged. Accordingly, the objectives of these groups are generally defined in social terms. As government employees, the CETA staff are wary of being "ripped off" by business firms or others, and they feel a responsibility for holding firms strictly accountable for their uses of CETA funds. The prime sponsors seek to attract private employers who are typically concerned with employees' attitude toward work, with productivity, and with lowering costs and increasing profits. The employers tend to be suspicious of government involvement in their affairs, and they usually hold a different view of social programs from the prevailing one held by the CETA staff. The local CETA programs among those surveyed which have been successful in attracting private sector support are those that have managed to orient their staffs to the employers' outlook and needs. They are also the ones that have typically supplemented this effort by developing links with intermediary organizations, such as the Chamber of Commerce, to bridge the gap between the two types of institutions.

Similarities and Dissimilarities -- The Nine Communities

The prime sponsors included in the study differed substantially in their community and enrollee characteristics, in their programs, and in their linkages with employers. As a group, they could be identified as prime sponsors with an above-average commitment to programs intended to prepare CETA clients for regular jobs. However, the group reflected the range of favorable and unfavorable economic environments. The unemployment rates in five of the nine were greater than the economywide rate at the time of the field surveys, while four possessed rates below the national one.

The variety of social and economic characteristics distinguishing the nine areas served by the prime sponsors are summarized below. Since the information presented is drawn from Census sources, it refers to the Standard Metropolitan Statistic Areas (SMSAs) in which the prime sponsorships were located, or to the comparable counties or States, rather than simply to the population included within the prime sponsor's area. But a substantial majority of the populations of the SMSAs or comparable units were within all of the prime sponsors' jurisdiction. The most recent complete information on all nine prime sponsors comes from the 1970 Decennial Census, and the precise numbers in the tables, therefore, are likely to have become outmoded with the passage of time. The relationships shown in the table are considerably less likely to have changed than the numbers themselves (see Table 6).

Table 6

Selected Population Characteristics, Nine Prime Sponsor Areas, 1970

	<u>Percent of Population Who Were</u>			
	<u>Nonwhite</u>	<u>Hispanic</u>	<u>Less than 4 Years at High School</u>	<u>Economically Disadvantaged</u>
Albuquerque	4.7%	39.2%	31.8% (a)	16.3% (b)
Cincinnati	28.1	0.6	48.1	17.7
Fort Worth	11.9	6.0	44.8	10.3
Milwaukee	10.8	1.7	39.6	9.1
New Haven	12.3	1.9	39.0	9.8
Passaic	11.7	4.3	42.2	9.3
Sacramento	9.7	10.1	31.8	11.2
South Carolina	30.7	0.4	57.3	23.9
Wichita	8.9	2.3	34.0	10.4
Average, Nine Prime Sponsors (c)	14.3	7.4	41.0	13.1
Entire United States	12.5	4.6	24.4	—

(a) 18 years and over

(b) Refers to civilian noninstitutional population earning less than poverty level incomes.

(c) Since one prime sponsorship, the State of South Carolina, is much larger than the others, the average figures presented for the nine prime sponsors, unless otherwise noted, are unweighted arithmetic means.

The population concentrations suggest that the prime sponsors surveyed served a population with a substantial representation of labor market handicaps. For three of the four characteristics listed, the representation in the nine prime sponsor areas was greater than for the entire United States. They were the percentages of their population who were nonwhite, Hispanic, or with less than a full four-year high school education. The range of differences among the nine is also striking. The share of the Albuquerque pop-

ulation made up of Hispanic persons, for instance, was nearly four times as great as the area with the next largest representation from this group, Sacramento. There were roughly two and a half times the percentage of economically disadvantaged persons in the State of South Carolina than in Milwaukee. The proportion of the adult population with less than a high school education was the characteristic showing the least variation in the nine prime sponsorships.

The variety in population characteristics in the nine areas was accompanied by considerable differences in their economic makeup. The differences show up in the distribution of employment by industry in the individual areas. Manufacturing was the leading source of employment in most of the areas served by the prime sponsors, but employment in service and government combined outweighed manufacturing employment in two-thirds of the areas (see Table 7).

Table 7

Percentage of Total Employment in Manufacturing,
Services, and Government,
Nine Prime Sponsor Areas, Selected Years, 1970 - 1976

	<u>Year</u>	<u>Percent of Total Employment in</u>		
		<u>Manufacturing</u>	<u>Services</u>	<u>Government</u>
Albuquerque	1970	7.6%	38.2%	9.5%
Cincinnati	1975	29.7	24.8	19.9
Fort Worth	1970	29.3	18.3	12.6
Milwaukee	1975	30.8	23.2	12.0
New Haven	1975	25.9	23.7	12.6
Passaic	1976	37.9	15.2	12.3
Sacramento	1975	7.5	33.0	17.5
South Carolina	1970	35.2	15.4	14.7
Wichita	1975	26.3	28.0	4.1
Average, Nine Prime Sponsors	-	25.8	24.0	12.0
Entire United States	1970	25.9	26.2	5.5

The transformation which has been shifting the American economy from a goods-producing to a service economy, including the production of government services, was evident in the nine areas. Government, in particular, was a more important source of employment among the nine than in the overall economy. The significance of the long-term shift to a service economy for local CETA programs was that the blue-collar jobs as operatives or laborers in manufacturing which in the past had provided the bulk of the entry-level positions for persons with limited job skills or education had come to represent an average of a fourth of the total employment in their areas. In several areas in which manufacturing was still the largest single source of employment, as in Passaic or New Haven, losses of manufacturing industry in the past two decades implied that the job growth in the coming decade for CETA clients would very largely take place in other industries.

The unemployment rates in the nine areas included a close approximation to the full range of rates found in the economy at the time. In Passaic or New Haven, high unemployment rates meant that the options available to prime sponsors seeking to involve private employers encountered the barriers of limited hiring and the availability of experienced workers seeking jobs in some areas. In other areas, as in Wichita, overall labor shortages created a favorable economic environment for skill training programs preparing CETA clients for jobs in the private sector. The unemployment rates shown in the table which follows are those for the period in which most of the field work took place, October 1976 through March, 1977 (See Table 8.)

Table 8

Unemployment Rates, Nine Prime Sponsor Areas,
October 1, 1976 through March 31, 1977

	<u>Unemployment Rate</u>
Albuquerque	9.5%
Cincinnati	8.6
Fort Worth	5.4
Milwaukee	5.8
New Haven	9.5
Passaic	10.2
Sacramento	8.8
South Carolina	7.2
Wichita	5.4
Average, Nine Prime Sponsors	7.8
Entire United States	7.6

On an average, the unemployment rate in the nine prime sponsor areas was slightly higher than for the entire United States, 7.8 as compared with 7.6 percent. The rates included two of the lowest in the Nation, those in Fort Worth and Wichita, and also three high rates, Passaic, Albuquerque, and New Haven.

The economies of the nine areas constitute a microcosm of the larger economy in their unemployment rate and, to a somewhat lesser extent, in the industrial distribution of their employment. They differ from the national pattern in the larger representation of groups facing the labor market barriers of discrimination and lack of education. These characteristics make the areas good candidates for assessing the strategies used in local CETA programs to overcome the labor market barriers facing their clients in a variety of environments.

Program Orientations

All of the prime sponsors surveyed expressed an interest in attracting more employers to their programs. But they differed in the priorities they assigned to participation by private employers, the funds they made available for this purpose, and the strategies they used to attract employers. Since Title I at the time of the study was the CETA component concerned with preparing persons for unsubsidized employment, the priority for private sector involvement is evident in the share of the funds available to prime sponsors which were spent for Title I programs. Program thrusts are also evident in the percentage of the Title I funds utilized for the skill training programs; that is, for classroom and on-the-job training. A striking feature of allocations of expenditure was the small proportion of the Title I funds utilized for OJT.

The funds available to CETA prime sponsors in 1976 and 1977, other than those for Title I, were the funds for public service employment available through Titles II and VI. The nine prime sponsors, as a group, spent something less than half of the funds available to them, 47 percent, for the programs intended to lead to unsubsidized employment. The range in the individual prime sponsorships was more significant than the average. Both Milwaukee and Wichita had similar unemployment rates. But Milwaukee spent less than a third of the available funds for the Title I programs while Wichita spent nearly three-fourths (see Table 9).

Table 9

Spending for Title I Programs as a Percent of Expenditures
for Programs Funded by Titles I, II, and VI, Nine Prime
Sponsors, October 1, 1976 through March 31, 1977^(a)

	<u>Total, Titles I, II and VI</u> <u>(in million of dollars)</u>	<u>Title I as Percent</u> <u>of Total</u>
Albuquerque	\$4.1	45.6%
Cincinnati	4.5	45.2
Fort Worth	2.4	57.4
Milwaukee	8.8	31.8
New Haven	4.5	43.7
Passaic	1.7	49.2
Sacramento	8.7	37.5
South Carolina	29.0	37.1
Wichita	0.9	73.2
Average, Nine Prime Sponsors	7.2	46.8
Entire United States	1,964	38.5

(a) Source: Prime Sponsor quarterly reports to the U.S.
Department of Labor.

The nine prime sponsors spent a larger percentage of the funds available to them on Title I programs than the national average. However, the public service employment programs then represented by Titles II and VI were responsible for more than half of the expenditures in seven of the nine local CETA programs. The concern given to attracting private employers, and the staff time and strategies used to attract them, were influenced in these communities by the fact that the primary business of the prime sponsor was public service employment.

Title I in the original CETA legislation was made up of a mixture of programs which differed in the treatments provided enrollees and in their

objectives. Similar programs have been carried over into the new title designations in the 1978 CETA legislation, especially in the new Title II. The programs focussing on skill training, on-the-job and classroom training, are primarily concerned with employment in the private sector. Their objective is to prepare persons for the entry level jobs expected to be in demand in the local area. The other major components, the work experience programs, are a mixture of employability development training orientation to the world of work, and income maintenance. The employers' maximum involvement in CETA programs takes place when they themselves provide the training. This is the case in on-the-job training programs and, in some instances, in classroom training. The percentage of the Title I outlays and enrollments accounted for by OJT and, to a lesser extent, by classroom training, therefore, supply a significant indicator of the prime sponsors' emphasis on the programs likely to constitute preparation for employment in the private sector (see Table 10).

Table 10

Spending for OJT and Classroom Training as a Percentage of Title I Outlays, Nine Prime Sponsors, October 1, 1976 through March 31, 1977

	Title I Outlays (in millions of dollars)	Percent of Title I Outlays for	
		<u>OJT</u>	<u>Classroom Training</u>
Albuquerque	1.9	3.2%	48.7%
Cincinnati	2.0	7.6	39.3
Fort Worth	1.4	21.2	32.7
Milwaukee	2.8	9.5	56.6
New Haven	2.0	18.4	19.0
Passaic	0.8	16.9	40.0
Sacramento	3.2	27.8	23.9
South Carolina	10.8	8.9	41.4
Wichita	0.7	17.1	52.5
Average, Nine Prime Sponsors	2.8	14.5	39.4
Entire United States	755.7	9.6	39.1

Spending for OJT and classroom training programs combined were responsible for half or more of the total Title I outlays in seven of the prime sponsorships. Accordingly, in spite of the different kinds of programs included under the umbrella of Title I, a strong core of interest in skill training was evident in a large majority of the prime sponsorships. Expenditures for classroom training outweighed those for OJT by a substantial margin in all but two of the prime sponsorships, New Haven and Sacramento.

The nine prime sponsors as a group allocated a considerably larger percentage of their Title I funds to OJT than was the case nationally at the time, 14.5 percent as compared with 9.6 percent. But the outlay for OJT amounted to more than a fourth of the Title I spending in only one prime sponsorship, Sacramento. Classroom training, as in Wichita and elsewhere, can involve employers who supply facilities and instructors in CETA programs. But much of the limited interest of private employers in CETA programs is related to the minor role within CETA of the program most actively involving employers, OJT.

The priorities which show up in expenditures are also apparent in the enrollments in the programs supported through Title I funds. Enrollments in on-the-job training made up a seventh of the total at the time of the survey (see Table 11).

Table 11

Average Distribution of Enrollments in Title I Programs,
Nine Prime Sponsors, October 1, 1976 through March 19, 1977

<u>Program</u>	<u>Percent of Title I Enrollments</u>
Classroom Training	53%
On-the-Job-Training	14
Work Experience	32
Public Service Employment	1
Total	100

Classroom training was the predominant program offered the Title I enrollees. This training was frequently provided by local vocational education systems. It was also given by other organizations including private training schools, combinations of trade associations and labor unions, or by business firms. Something over a third of the classroom enrollees were enrolled in activities other than job skill training, such as basic English for

adults. Enrollees in the next largest component, work experience, outnumbered those in OJT by a five-to-two ratio. Public service employment as part of Title I was important in only one of the prime sponsorships surveyed, New Haven.

The distinguishing feature of the enrollees in the Title I programs was their economic disadvantage. Nonwhites or persons with less than four years of high school made up half or more of the enrollees. However, the individuals in the OJT programs made up a selected group with fewer labor market disadvantages than the Title I enrollees generally. There was evidence of some but lesser selectivity, in classroom training (see Table 12).

Table 12

Comparison of the Distribution of OJT and Classroom Training Enrollees with All Title I Enrollees, Nine Prime Sponsors, October 1, 1976 through March 31, 1977^(a)

<u>Characteristic</u>	<u>Percent of Enrollees in</u>		
	<u>Title I</u>	<u>OJT</u>	<u>Classroom Training</u>
Nonwhite	51%	39%	49%
Under 21	50	35	42
Less than 4 Years of High School	50	32	41
Economically Disadvantaged	80	72	82

(a) refers to unweighted average distribution for the nine prime sponsors.

The differences between the OJT enrollees and those in Title I programs generally are illustrated by the data on educational attainment. Half of the Title I enrollees had completed less than four years of high school. Over two-thirds of the OJT enrollees had completed their high school education. Minorities, young persons, and economically disadvantaged individuals were less well represented in the OJT programs than in the overall Title I effort. While differentials on the basis of race, education, or age also show up for the classroom trainees, they are smaller than in the case of on-the-job training. The differences in characteristics of the OJT enrollees frequently stemmed from an emphasis by prime sponsors on the high school diploma as the education qualification necessary to successfully complete the program. The lesser concentrations of persons with labor market handicaps in the skill training programs in the nine prime sponsorships suggests that these individuals are substantially concentrated in the work experience component of the Title I programs.

Planning Councils

The nine prime sponsors' priorities and their relationships with the business community were influenced by their planning councils. The planning councils frequently provided support in upholding the decisions of the local CETA director and staff, and they participated in approving, and often shaping, the annual plan which supplied the basis for requests for Federal support. But the primary influence of the councils in most of the areas surveyed was their influence on the allocation of the prime sponsors' funds.

Groups with an interest in the allocation of funds dominated the membership of the planning councils in most of the nine prime sponsorships. Community organizations and government agencies, very largely State and local government agencies, made up more than half, 55 percent, of the total membership of the nine planning councils (see Table 13).

Table 13

Makeup of Planning Council Membership, Nine Prime Sponsors, 1977

<u>Source of Members</u>	<u>Percent of Total</u>
Business Firms	13.5%
Business Associations	4.5
Government Agencies	37.0
Community Organizations	18.7
Labor Organizations	7.5
Private Citizens	19.0
Total	100.0

A major function of the councils in many of these areas, as described by a local CETA staff member, was "protecting the turf" of the different organizations, governmental and otherwise, which were the recipients of funds from the local prime sponsor. All told, council members drawn from business firms or organizations made up less than a fifth, 18 percent, of the membership of the nine councils.

The participation of the business representatives on the councils in most of these areas was a nominal affair. In the two prime sponsorships

with the largest share of the membership drawn from the business community, Cincinnati and Milwaukee, the business representatives were active in council affairs. In Cincinnati, for example, the employer representatives took a leadership role in supporting the decisions of the CETA executive to evaluate the organizations delivering services to the prime sponsor, and they served as a liaison between the local CETA program and the business community. The business representatives, in these and other prime sponsorships, often helped to publicize the CETA program among employers. None of the business members on the councils at the time of the site visits, were from firms holding a current OJT contract with the local prime sponsor.

Business representation on the local advisory groups has been given more specific recognition with the enactment of the 1978 CETA legislation. Title VII of the revised law calls for a new type of community planning group, the Private Industry Councils. The extent to which these new councils increase the participation of local employers will depend on the extent to which they are given a role in shaping CETA programs directed at the business community, and the authority to exercise an oversight as well as an advisory function. The backgrounds of the persons chosen for membership will also affect the success of the Industry Councils. Employer representatives on the planning councils in the nine prime sponsorships were frequently company public affairs officers. Their primary duties were to represent the company in a variety of community and public service organizations and, often, to manage corporate contributions. The public affairs officers usually had little influence on employers' decisions to participate in CETA. The Industry Councils are more likely to add individuals who are in a position to exert this kind of influence if they attract senior company officers or persons whose primary role in their company is in personnel rather than public affairs.

Job Development Organizations

All of the prime sponsors surveyed had entered into arrangements with other organizations to serve as intermediaries in placing CETA clients or in arranging on-the-job training programs. These organizations frequently provided intake and training services as well as job development. The largest single group of job development agencies were community-based organizations, such as the Urban League or its Hispanic counterpart, SER. However, the employment service was frequently responsible for a larger number of placements than any other local job developer. In some areas business organizations such as the National Alliance of Business or the local Chamber of Commerce worked with the prime sponsor as job and OJT development organizations.

The CETA staff itself was involved in job development in four of the nine prime sponsorships. The employment service was the sole agency in one area, in Fort Worth. The typical prime sponsor surveyed made use of three organizations for job development (see Table 14).

Table 14

Types of Job Development Organizations Used,
Nine Prime Sponsors, 1977

<u>Type of Organization</u>	<u>Frequency of Use</u>
CETA Staff	4
Employment Service	6
Community Based Organizations	7
National Alliance of Business	2
Chamber of Commerce	2
Labor Organizations (a)	2
Trade Associations	2
Private Firms	2
Total	27

(a) includes a union-management joint organization

All of the prime sponsors but two, Fort Worth and Passaic, made use of organizations other than the local CETA or the employment service for job development. The use of these organizations was often based on the belief that non-governmental agencies would have better access to many local employers than the CETA or employment service staffs. The Urban League, for instance, was believed to have special entry to some local employers because of contacts developed in equal employment programs. The NAB or Chamber of Commerce could be expected to have a special access to large employers and to local business leaders.

The linkages with the community-based organizations reflected the extensive local political support these agencies frequently possessed and their ability to reach out and bring disadvantaged persons into the CETA program. The community-based organizations were usually available when the prime sponsorships were first established since they had been involved in the earlier federally-funded employment and training programs. Moreover, the CETA legislation lent support to a role for the community organizations since it stipulated that existing institutions of demonstrated effectiveness should be used in local programs to the extent deemed feasible.

The nine prime sponsors faced the choice of either making use of a single organization for job development, usually the employment service, or selecting a number of different agencies. Where a single organization was selected, the

agency could be undertaking a task for which it was not well equipped, or it might lack the flexibility to adapt to new problems. Where a number of different agencies were selected, it often became difficult for the prime sponsor to maintain accountability for their performance. Where one agency was given responsibility for job development, it often lacked access to many of the employers in the area. Where many organizations were involved, employers sometimes complained of oversolicitation by competing agencies.

The prime sponsors sometimes relied on a bidding process in selecting the organization to provide job development or other services. In other instances the contracts were negotiated directly with a single organization. The effectiveness of these procedures depended on whether the contractor actually performed according to the contract, and on the steps taken by the prime sponsor in the event of nonperformance. Changes in funding levels provided by the prime sponsor, or the prospects of non-renewal of a contract, could make for major changes in the level of effort and the number of positions in a job development organization. This was the case with the employment service in Albuquerque, for example, when this site was visited. The political support enjoyed by many of the intermediary organizations often made it difficult to hold them to standards of performance, or to defund them if they did not perform satisfactorily. In Cincinnati, to cite an instance, a major political controversy sprang up in 1977 because the prime sponsor was planning to defund a community-based organization which had been evaluated as ineffective.

Many of the prime sponsors included in the study were experimenting with new types of relationships with the organizations delivering services to them, including job development. In Wichita the community had been divided into sections, and a different organization was assigned to provide services to CETA clients in each area. The organization selected performed most of the required services for CETA clients including screening, counselling, and placement. This approach made it more feasible to compare the performance of different agencies and maintain accountability for them. Another variation was represented by Sacramento. A different community organization was selected to provide services to each target group in the prime sponsor's area. The target group selected was often an ethnic group, i.e., Filipino-Americans, or a group with a special problem, such as ex-offenders. The Sacramento prime sponsor made use of fourteen different community organizations in its job development program.

The prime sponsors were also searching for new types of job development agencies. South Carolina contracted with an outside organization, a private non-profit firm set up for that purpose, to be responsible for the development of OJT programs in the State. Others have involved trade associations and labor organizations as job developers. Cincinnati entered into a contract with the United Auto Workers union in which the union agreed to arrange OJT programs in a number of industries. The Fort Worth prime sponsor entered into an informal arrangement with the AFL-CIO's Human Resources Development Institute to refer CETA clients for apprenticeship openings, primarily in the construction trades. In Wichita, the trade association in the construction industry sponsored a program in which company foremen provided classroom training to CETA

enrollees who were then placed in on-the-job training. The Big Step program in Milwaukee represents a comparable situation utilizing another approach. The unions and the trade association in the construction industry in Milwaukee have jointly formed a corporation. The corporation supplies the classroom training to CETA clients, and the unions and trade association arrange for placement after training in apprenticeship programs or as journeymen.

The prime sponsor relationships with trade associations or trade association-union combinations illustrate strategies that could frequently be replicated in other areas. Since the industry groups in these arrangements frequently provide the training, it is likely to be closely related to the actual work situation. Employers are more likely to hire CETA clients they have trained and learned to know than to hire persons whose identities and qualifications are unknown to them. Part of the stimulus to the programs in the construction industry grew out of the pressures to increase minority representation in the building trades. A linkage of this kind may provide an alternative basis for a relationship with the business community for prime sponsors when other business groups, such as the Chamber or the National Alliance of Business, are unavailable as job developers for the local CETA program.

Other innovations in CETA relationships with organizations providing placement services have taken place within the more established organizations, such as the employment service. In Milwaukee, for example, the employment service assigned the responsibility for servicing a specific group of employers to individual placement specialists. In this version of the account executive system, the placement specialists became familiar with the needs of the companies they served, and the companies would get to know a specific person in the employment service who would be responsible for processing their orders for personnel thru the Job Bank system or otherwise. CETA clients benefited from this arrangement because the employment service was actively involved in placing CETA clients.

Linkages With Local Business Organizations

Prime sponsors seek to establish relationships with private employers through intermediary organizations which are closely linked with the business community. The organizations most frequently encountered who were serving this role in the nine prime sponsorships were local economic development groups, the Chamber of Commerce, or the National Alliance of Business. The community business organizations could help establish the prime sponsor's credibility among employers, and they sometimes served as job developers under contract with the local CETA program. These organizations were frequently represented on the Planning Councils, and one of them, the National Alliance of Business, has assumed a leadership role in setting up the new Private Industry Councils.

The field studies showed that there was a potential for a considerably more extensive relationship with business organizations than was the case at the time. The prime sponsors surveyed were in an active relationship with the three primary business organizations in half the cases in which the organizations were present in their areas. An active relationship was one which involved the prime sponsor's representation in an organization, as in economic development groups, or a formal agreement to provide services, i.e., a NAB local office under contract with a prime sponsor to arrange for OJT programs (see Table 15).

Table 15

Prime Sponsor Linkages with Local Business Organizations,
Nine Prime Sponsors, 1977

<u>Type of Organization</u>	<u>Organization Exists in Area</u>	<u>Relationship with Prime Sponsor</u>		
		<u>is active</u>	<u>is nominal</u>	<u>no relationship</u>
Economic Development Organization	7	4	2	1
Chamber of Commerce	9	5	0	4
National Alliance of Business	8	3	2	3
Total	24	12	4	8

Local Chambers of Commerce were the business organization with the largest number of active relationships with the nine prime sponsors. There was also an affiliation with economic development groups in over half the areas in which these organizations had been established. There was a nominal relationship, or no relationship, between the prime sponsor and the local NAB office in five of the eight areas in which the NAB was present. The absence of an active relationship by the prime sponsor with any of the three organizations could reflect a variety of circumstances. Differences in priorities of the two types of organizations, the inactive status of the business group, or an inadequate effort by the prime sponsor to establish a working relationship could account for the absence of a strong linkage.

In Milwaukee and New Haven, the Chamber of Commerce was directly involved in operating the NAB program arranging for placements in OJT. This arrangement was similar to the successful program conducted in Chicago under the joint auspices of the Chicago Alliance of Businessmen and NAB. The Employment Service frequently assigned staff members to the local NAB who made up the

permanent staff supporting the loan executives provided to NAB on a temporary basis by local employers. The joint arrangement in which established business organizations such as the Chamber were involved in the program provided continuity and leadership in local NAB offices otherwise usually dependent on the loan executives to develop their programs.

The field studies suggest that business-sponsored programs, such as the joint Chamber-NAB effort, can be especially useful in obtaining the employer cooperation necessary in arranging OJT programs. In the prime sponsorships among the nine surveyed who relied mainly on business organizations or private-for-profit firms to arrange OJT programs, OJT placements made up more than a fourth, 28 percent, of the total "indirect" placements requiring some service from the local CETA program before the client became available for a job. In the prime sponsorships relying mainly on non-business agencies, OJT made up about a seventh, 15 percent, of the indirect placements.

Involvement in local economic development groups by prime sponsors was important because development could lead to the creation of new jobs, or it could prevent the loss of existing job openings. These jobs could often be filled by CETA clients. Prime sponsors were working closely with economic development groups at the time of the field surveys in Albuquerque, Cincinnati, Milwaukee, and the State of South Carolina. In Albuquerque, the prime sponsor was involved with business groups in planning the redevelopment of the core city. The planning was undertaken with the aid of a grant funded jointly by the Departments of Housing and Labor and the Economic Development Administration. An industrial park has been established in Albuquerque to attract new employers to the urban area, and to provide facilities for existing firms to expand. In South Carolina, the CETA program has been operated out of the Governor's office as a statewide consortium, and it has functioned as part of the State's economic development effort. The State's offer to train a work force to meet the individual employer's needs and to be available at the time the new establishment begins production, has been one of the inducements held out to attract firms to South Carolina. The training is offered through a separate educational network, the State technical education system. A substantial part of the funds supporting this program have come from CETA, and many of the enrollees are CETA clients.

Economic development is likely to be important for CETA in areas where development offers a realistic prospect for bringing in new establishments and creating new jobs. In areas characterized by slow growth and substantial unemployment, the development programs are more likely to concentrate their efforts on encouraging employers already in the area to remain there. In New Haven, for instance, the prime sponsor has undertaken to train workers in specialized skills in cases when shortages of skilled employees were encouraging employers to consider moving elsewhere. Programs which have encouraged prime sponsors to train their clients in more specialized skills, such as the recent Skill Training Improvement Program (STIP), increase the opportunities for prime sponsors to become involved in development programs aimed at preventing the erosion of their area's economic base.

Business organizations were involved in a variety of other activities which can assist local CETA programs. In Cincinnati, the Chamber has encouraged the prime sponsor to adopt screening procedures to identify enrollees who might be candidates for employment in particular firms. The procedure has aroused the interest of employers in the CETA program since it saves firms time and costs by identifying CETA clients with the interests and aptitudes required for their openings. In Wichita, the Chamber has undertaken to mail resumes of eligible CETA enrollees to prospective employers on its own letterhead. The Chamber and other business groups in most of the areas surveyed publicized the CETA program at their meetings and in their literature. In some communities, the prime sponsors have regarded employers' hostility to social programs such as CETA as an important obstacle in attracting private firms to their programs. Where local business organizations undertook an active role as intermediaries between the CETA program and employers, they could help to overcome this hostility and establish the legitimacy of the CETA effort in the business community.

Public Relations Efforts

Most of the prime sponsors surveyed were involved in public relations activities to improve their visibility among local employers. While all nine local CETA programs had some kind of materials available describing their program to employers and soliciting their support, only a minority had developed a sustained public relations program addressed to the private employers in their area.

The ad hoc character of much of the public relations effort conducted by the prime sponsors is illustrated in the table describing their activities in this field (see Table 16).

Table 16

Public Relations Activities Directed at Employers, Nine Prime Sponsors, 1977

<u>Activity</u>	<u>Present</u>	<u>Absent</u>
Occasional meetings with business groups	3	6
Printed handout materials	7	2
Regular mailings or advertising	3	6
Radio or TV presentations	3	6
Public relations person on staff	3	6

The most frequent public relations materials were printed handouts available at CETA offices and sporadically mailed to employers. Virtually all prime sponsors reported instances of elected officials, planning council members, or Chamber of Commerce personnel who publicized the program among employers. Some prime sponsors had developed more highly structured public relations programs. In Albuquerque, to cite an instance, the Mayor participated in spot announcements over local television stations publicizing the CETA program. In Cincinnati, the CETA staff, in cooperation with the Chamber of Commerce, undertook a public relations campaign involving the preparation of film strips for presentation to local business groups. Several prime sponsors, as in Sacramento, were sufficiently impressed with the importance of increasing their visibility in the community to have added a public relations specialist to their staffs.

The prime sponsors' public relations problems were compounded by the fact that job development was frequently done by other organizations under contract with them. These organizations tended to publicize the services provided by their own agency among employers rather than emphasizing that they were funded and providing a service for CETA. This was less likely to be the case with OJT programs than with placements following classroom training, since in OJT a contract had to be signed by participating employers with the prime sponsor. Aside from OJT, employers were more likely to be aware that they had hired a person referred to them by the employment service or the Opportunities Industrialization Center than they were to know that they had hired a CETA client. Similarly, in South Carolina employers who hired a person trained in the special State technical education system would generally be unaware that they had hired a CETA enrollee. In decentralizing placement services in other organizations, the prime sponsors also dispersed much of the publicity surrounding their services and what they could do for employers.

There was a reluctance in many of the prime sponsorships to spend more than a minimum of CETA funds for public relations or to add a specialist in this field to their staffs. It was feared that expenditures for public relations would be regarded by the community and the political leadership as diminishing the funds which would otherwise be available for services to enrollees. The public relations problem for CETA among private employers was further complicated because most of the publicity for CETA programs in the local newspapers or on television was concerned with public service employment, summer jobs for young people, or enrollees working in nonprofit organizations. The experience in the nine sites underscores the prevalence of a major problem in establishing the identity of CETA in the business community as a resource for employers.

Placements by Size and Class of Employer

The nine prime sponsors concentrated their training and placements in occupations in which short courses, usually under six months, could be expected to prepare persons for semi-skilled entry level jobs. The placements bore an overall relationship to entry-level job opportunities in the local labor market although there was frequently an overrepresentation in clerical and operatives occupations. Two distinguishing features of the placements in most prime sponsorships were the low percentage of placements in large establishments, and the substantially higher placement ratios in OJT as compared with classroom training. Placements in government agencies and nonprofit organizations were a major source of jobs for the CETA skill training program clients in two prime sponsorships, Fort Worth and Sacramento.

The placement information refers to persons who found jobs after participating in an OJT or classroom training program under the control of the local prime sponsor. These placements made up close to two-thirds, 64 percent, of all placements from the Title I programs during the six-month period ending on March 31, 1977. The figures for all nine prime sponsors, unless otherwise noted, are presented as unweighted arithmetic averages. This procedure allows each prime sponsor to count as an instance of equal importance with the others. The unweighted averages are shown because, otherwise two of the prime sponsorships, the State of South Carolina and Milwaukee, would dominate the totals and any averages derived from them. Together, they were responsible for seven-tenths or more of the placements following classroom training and OJT during the period of the survey.

Smaller establishments were the primary source of placements in the private sector for the nine prime sponsorships. To illustrate the point, over a fourth of all nonfarm wage and salary employees in manufacturing industries in the mid-1970's were at work in establishments employing 500 or more persons. This proportion was attained or exceeded in the placements following OJT in only two prime sponsorships. It was approximated in classroom training in only one, Milwaukee (see Table 17).

Table 17

Percent of Placements in Private Establishments Employing 500 or More Persons, Nine Prime Sponsors, October 1, 1976 Through March 31, 1977

<u>Prime Sponsor</u>	<u>Percent of Placements in Establishment Employing 500 or More Persons</u>	
	<u>OJT</u>	<u>Classroom Training</u>
Albuquerque	a	4.5%
Cincinnati	3.8%	12.5
Fort Worth	20.0	17.6
Milwaukee	41.4	22.9
New Haven	8.3	8.0
Passaic	0	0
Sacramento	16.4	15.0
South Carolina	9.0	12.3
Wichita	28.6	12.3
Average, Nine Prime Sponsors	15.9	11.7

(a) not available

On an average, slightly more than a seventh of the placements following OJT and a ninth of those following classroom training were in the large establishments. There was also substantial variation in the extent to which individual prime sponsors were successful in placing persons in the larger companies: The variation suggests that a minority of the prime sponsors had gained access to the large private employers in their areas while a majority had not established this linkage. It is also noteworthy that the prime sponsors with the high ratios of placements in large companies, Wichita and Milwaukee, were both characterized by unemployment rates considerably below the national average. The rates in both were below 6 percent as compared with a national average of 7.6 percent.

Smaller firms may provide excellent training and good jobs, and trainees in OJT programs may earn hourly rates at least equivalent to those in larger establishments. However, the large firms make up "the commanding heights" of the American economy. They are frequently firms most heavily concerned with technological innovations, as in the aerospace or electronics industries. The large companies are more likely to possess specialized training facilities and formal programs for training and upgrading their employees. The low penetration of prime sponsors' programs among the large firms represents a loss of potentially desirable employment opportunities for CETA clients.

An establishment with 500 or more employees would represent a sizeable enterprise in many industries. It is likely that the CETA placements, especially from OJT, were concentrated in firms with considerably fewer than 500 employees. For example, in all but two of the nine prime sponsorships, South Carolina and Wichita, the median number of placements per employer following OJT ranged between 1 and 2. A similar conclusion was reported in an independent survey of OJT placements in the Chicago Alliance of Business-NAB program in fiscal year 1977. The survey showed that only an eighth of the OJT placements were in companies employing over 200 persons. Three-fifths were in firms employing 50 or fewer persons.^{3/}

Placements in unsubsidized employment are usually identified with a job in the private sector, that is, in a private-for-profit firm. CETA placements in government agencies or non-profit organizations have become identified with public service employment programs involving temporary employment in State or local government agencies or in institutions such as hospitals or schools. The experience of the nine prime sponsors shows that in some areas the not-for-profit employers make up an important source for placements following OJT or classroom training. A large majority of the OJT placements in Fort Worth, and a smaller majority of the placements of classroom trainees in Sacramento were in State and local government agencies or in nonprofit organizations (see Table 18).

^{3/} Unpublished report, CABMS-OJT Evaluation Division, September 27, 1977. However, a recent survey based on a national sample of employers shows that a larger proportion of establishments with 500 or more employees hired CETA classroom training and OJT enrollees than did establishments with fewer than 500 employees. U.S. Chamber of Commerce, A Survey of Federal Employment and Training Programs, September, 1978, pp. 6,8. However, these findings refer to the numbers of firms hiring one or more persons who were CETA clients rather than to the percentage of enrollees placed in large or small enterprises.

Table 18

Percentage of Placements Following OJT and Classroom Training
in Government and Nonprofit Organizations, Nine Prime Sponsors,
October 1, 1976 Through March 31, 1977

<u>Prime Sponsor</u>	<u>Percentage of Placements in Government Agencies or Nonprofit Organizations</u>	
	<u>OJT</u>	<u>Classroom Training</u>
Albuquerque	a	29.0%
Cincinnati	10.3%	21.6
Fort Worth	88.4	17.1
Milwaukee	2.0	10.0
New Haven	14.3	32.4
Passaic	35.7	12.2
Sacramento	19.7	51.2
South Carolina	0.4	24.0
Wichita	0	28.8
Average, Nine Prime Sponsors	21.3	25.1
Government Agencies	10.7	13.0
Nonprofit Organizations	10.6	12.1

(a) not available

State and local government agencies and nonprofit organizations typically accounted for over a fifth of the placements after OJT and a fourth of the placements for the classroom trainees. For all nine prime sponsors, the placements were about equally divided between the two types of organizations.

The placements in the not-for-profit sector can provide unsubsidized jobs for CETA clients but they raise several problems. This is especially true for the OJT placements. OJT programs in government or nonprofit organizations have a higher average cost per trainee since these agencies are reimbursed on a different basis than private-for-profit employers. The not-for-profit employers can receive reimbursements equivalent to 100 percent of the trainees' wages and fringe benefits for as long as a year. This compares with a reimbursement ceiling equivalent to 50 percent of the trainees' wages for up to six months in private-for-profit firms. Fort Worth was the prime sponsor among the nine with the highest expenditure per OJT enrollee, \$1,627 in 1977. This compared with an average expenditure for the nine prime sponsors amounting to \$1,158. Fort Worth was also the prime sponsor with the largest percentage of its OJT placements in government or non-profit organizations. There are also questions about the extent to which the OJT trainees in State and local government agencies substitute for other persons who would have been hired in the absence of the program. In addition, OJT enrollees in state and local governments, like others, must usually pass a competitive examination before being accepted for regular employment or the examination requirement must be waived. If the requirement is not waived for positions in which an examination is required, there is no assurance of employment after training.

Placements by Occupational Field

The prime sponsors surveyed sought to train their clients for semi-skilled occupations in which substantial numbers of openings were anticipated. These were the job openings available to persons with limited skills and education in areas frequently characterized by high unemployment rates. This approach explains the concentrations of placements in selected fields, such as clerical or operatives jobs.

The relationship of the placements to the anticipated job openings for classroom training or OJT clients is summarized in Table 19. The estimates of job openings are based on projections for the individual prime sponsor areas covering segments of the 1970 to 1985 period embracing in each case a minimum of five years.

Table 19

Anticipated Annual Average Job Openings and Placements Following OJT
and Classroom Training, Nine Prime Sponsors, Selected Years

Occupational Group	Annual Average Job Openings, 1970 - 1985	Distribution of Placements, October 1, 1976 thru March 31, 1977	
		OJT	Classroom Training
Professional and Technical	16.8%	5.1%	2.1%
Managers and Proprietors	9.1	2.5	0.4
Sales	8.9	3.3	1.1
Clerical	26.6	23.9	42.5
Craft-related	8.8	15.5	10.6
Operatives	10.1	34.0	21.9
Laborers, nonfarm	2.3	3.8	2.2
Services	17.2	11.9	18.7
Farm Occupations	0.3	0	0.2
Unclassifiable	0	0	0.3
Total	100.0	100.0	100.0

More than half the placements for OJT clients and close to two-thirds of the placements for classroom training enrollees were in the clerical or operatives fields. About three-eighths of the job openings were expected to take place in these two groups of occupations. There were few placements in white collar fields other than in clerical positions. These are the occupations in which education beyond high school or lengthy training is usually required for entry. There were some placements in professional and technical fields for CETA clients as drafters, employment interviewers, musicians, or social work aides.

Placements for OJT clients were more widely distributed by occupation than was the case with the placements for classroom training enrollees. While the OJT clients largely found jobs in blue collar fields with apparent job titles as operatives, craftworkers, or laborers, the classifications represented by the occupational groupings were frequently incomplete or misleading. Many of the placements listed in the craftworkers' groups are more appropriately regarded as in craft-related occupations, and the individuals placed in these positions would require additional training or experience to qualify as full-fledged craftworkers. It is likely, for instance, that some of the placements for electricians actually refer to positions as electricians' helpers. The placements included in the laborers' category also frequently require interpretation. These placements included some jobs in well-paid occupations such as construction laborers.

The averages for the nine prime sponsors obscure the extent to which individual prime sponsors were concentrating their placements in selected fields. An indication of this type of concentration is represented by the instances in which the proportion of placements in an occupational group was double or more the expected job openings in the same field (see Table 20).

Table 20

Occupational Concentrations in Placement, by Occupational Group,
Nine Prime Sponsors, October 1, 1976 Through March 31, 1977

<u>Prime Sponsor</u>	<u>Occupational Groups in Which Percentage of Placements was Double or More the Percentage of Projected Job Openings</u>	
	<u>OJT</u>	<u>Classroom Training</u>
Albuquerque	(a)	clerical
Cincinnati	craft-related	craft-related operatives
Fort Worth	laborers	operatives
Milwaukee	operatives	operatives laborers
New Haven	craft-related operatives laborers	craft-related
Passaic	laborers	operatives
Sacramento	craft-related operatives	clerical
South Carolina	operatives	
Wichita	operatives laborers	operatives laborers
(a) not available		

The overconcentrations of placements in relation to anticipated job openings very largely took place in blue collar fields, especially in semi-skilled operatives occupations. Nationally, openings for operatives are expected to account for a tenth of all job openings in the 1970 to 1985 period. But placements in operatives positions, on an average, made up about a third of the OJT placements and over a fifth at the classroom training placements, and in individual areas these proportions were greater. The operatives positions frequently figuring in placements of CETA clients included such jobs as assemblers, checkers, garage workers, packers, welders, bus drivers, route workers, or truckdrivers. In some areas, as in South Carolina or Wichita, the focus on operatives reflects the emphasis in planning CETA programs on personnel needs in local industry. Of at least equal significance, the operatives classification includes many fields in which prime sponsors can readily train persons in short courses. While more CETA classroom training clients were placed in clerical than in operatives job, this concentration reflected the large number of openings anticipated for clerical workers. Both nationally and among the nine prime sponsors, clerical jobs were the occupational category with the largest number of projected job openings in the 1970 to 1985 period. This was the case in all nine prime sponsor areas.

Enrollments in the classroom training programs in the nine prime sponsorships showed that the concentration areas in training were generally similar to the placement concentrations other than in professional and technical fields. For example, slightly more than two fifths, 42.5 percent, of the classroom training enrollees were in clerical courses. This was identical with the proportion of placements following classroom training in clerical jobs (see Table 21).

Table 21

Distribution of Enrollments in Classroom Training Programs and
Placements of Enrollees, Nine Prime Sponsors,
October 1, 1976 through March 31, 1977

Percent Distribution of		
<u>Occupational Group</u>	<u>Enrollments</u>	<u>Placements</u>
Professional and Technical	6.6%	2.1%
Management and Related	0.5	0.4
Sales	0.5	1.1
Clerical	42.5	42.5
Craft-Related	21.1	10.6
Operatives	10.6	21.9
Laborers, Nonfarm	0.1	2.2
Services	14.7	18.7
Farm	0.2	0.2
Unclassified	3.2	0.3
Total	100.0	100.0

A substantially greater percentage of the enrollees were trained for professional, technical, or skilled craft positions than were placed in these occupational fields. The relationships between the distribution of enrollments and of placements suggest that persons trained in the more highly skilled fields often found a job in a related field involving a lesser degree of skill. A CETA client trained as a medical lab technician, for instance, might obtain employment as a hospital attendant and show up as a placement in a service rather than in a professional and technical occupation. Placements at a lesser skill level than the training probably explains why twice as many persons were trained in craft-related fields than were placed in these jobs, while twice as many persons were placed as operatives than were trained for opera-

tives jobs. Overall, the proportion of classroom trainees placed in craft-related and operatives jobs was virtually identical with the proportion of enrollments in the two combined fields. These findings, like the relationship between enrollments and placements in clerical occupations, suggest that past experience with placements and subjective judgments about the local labor market rather than systematic planning or the utilization of occupational demand projections were the critical ingredients used by prime sponsors in selecting fields for training.

Placement Ratios

Placement ratios were higher, and usually substantially higher, for the enrollees in on-the-job training programs in the nine areas than for those in other employability development programs such as classroom training. This differential was present in all the prime sponsorships for which placement information is available. The existence of the differential is also supported by the findings of a National Academy of Sciences survey of CETA programs.^{4/} However, the different programs included under the rubric of employability development are dissimilar in many respects, such as enrollee characteristics. Accordingly, differences in gross placement rates do not constitute a measure of program effectiveness.

The placement rate concept used for the comparison refers to a ratio relating two flows during the same period. It refers to the ratio of placements in unsubsidized employment during the two quarters covered by the survey data to the terminations in the same period. Since the persons placed in one period may have terminated their training in a preceding period, the terminations and placements need not refer to the same individuals. Allowing for these limitations, the magnitude of the differentials and the frequency with which they occur suggest that they point to a genuine underlying difference in placement experience (see Table 22).

^{4/} Mirengoff, William and Rindler, Lester, CETA: Manpower Programs Under Local Control, Committee on Evaluation of Employment and Training Programs, Assembly of Behavioral and Social Sciences, National Academy of Sciences, 1978, p. 229.

Table 22

Placement Ratios, OJT and Classroom Training Programs, Nine Prime Sponsors, October 1, 1976 through October 31, 1977

	<u>Placement Ratios</u>	
	<u>OJT</u>	<u>Classroom Training</u>
Albuquerque	a	25.8%
Cincinnati	52.7%	15.6
Fort Worth	56.6	39.4
Milwaukee	70.6	38.5
New Haven	38.9	18.0
Passaic	73.7	30.4
Sacramento	67.5	52.3
South Carolina	70.2	25.9
Wichita	97.2	53.3
Average, Nine Prime Sponsors	65.9	33.2

(a) not available

Placements amounted to about two-thirds of terminations in OJT as compared with about one-third in classroom training. The ratios for OJT were double or more those for classroom training in four of the eight prime sponsorships for which information was available for both types of training. The variation in ratios for classroom training was also considerably greater than for OJT, approximately a 3-1/2 to 1 range for classroom training as compared with a 2-1/2 to 1 range for OJT. The greater variation in placement ratios for classroom training is not surprising considering the fact that a part of the classroom trainees, varying in importance from one prime sponsor to another, were receiving services other than occupational skill training. Basic English for adults was the most important instance. Moreover, the classroom training is sometimes followed by other

training such as OJT so that successful completion of the classroom component does not show up as followed by a placement. In addition, it would be reasonable to expect a higher placement ratio in on-the-job training since the trainees are already hired and on an employer's payroll when they begin training.

The local unemployment rate influenced placement ratios in the nine prime sponsorships. The influence of the unemployment rate was more evident in OJT than for classroom trainings (see Table 23).

Table 23

Average Placement Ratios for OJT and Classroom Training,
Prime Sponsors with Unemployment Rates Above and Below
National Average, Nine Prime Sponsorships,
October 1, 1976 through March 31, 1977

<u>Prime Sponsors With Unemployment Rate</u>	<u>Average Placement Ratio</u>	
	<u>OJT</u>	<u>Classroom Training</u>
Above National Average	58.2%	28.4%
Below National Average	73.7	39.3

The prime sponsors with below-average unemployment rates typically showed higher placement ratios for both OJT and classroom training than the prime sponsors with above average unemployment rates. As a group, the prime sponsors with the lower unemployment rates showed a fifteen percentage-point higher OJT placement rate and ten percentage-point higher classroom training rate. However, there was considerable variation within the two groups. Passaic, the prime sponsor with the highest unemployment rate at the time of the survey, also showed the second highest placement ratio for OJT. Sacramento, a locality with an above-average unemployment rate, reported the second highest placement ratio for classroom training.

The placement ratios do not lend themselves to use as indicators of the effectiveness of the different prime sponsors. The low placement ratios in some prime sponsorships probably reflect the practice of concentrating training programs in the earlier part of the fiscal year and focusing on placements in the later part. Prime sponsors engaged in a rapid program buildup, say in classroom training, would often have low placement rates until sufficient time had elapsed for the persons terminating the program to have been placed. Moreover, the placement data needed for program evaluation should be obtained from a study of the same individuals, taking into

account their program experience, their work history before entering the program, and their experience after completing the program. It would also be important to make allowances for differences in enrollee characteristics in an evaluation, i.e., in educational attainment levels, since these characteristics have a bearing on program results. The placement ratios do make the point that the program with the high placement record, on-the-job training, is also the program which is only a minor component of the local CETA effort aimed at preparing persons for regular jobs in the mainstream of the economy.

The Common Elements

The prime sponsors with the stronger access to the business communities in their areas were Cincinnati, Milwaukee, the State of South Carolina, and Wichita. To a greater degree than the other prime sponsors, the four had forged strong links with their local business communities. They were also characterized by their greater tendency to innovate in job development and training programs.

Linkages with the business community among the four were frequently formal, i.e., contractual, or they could be informal and "just grow". In Milwaukee, for instance, the local Chamber of Commerce was under contract with the prime sponsor to arrange on-the-job training programs. In Cincinnati, on the other hand, the Chamber, before it was under contract with CETA, used its good offices to bring together CETA job developers and local businessmen. The critical element in both types of arrangements was not so much the presence or absence of a contract as a perceived community of interests between the prime sponsor and employer groups.

The prime sponsors with the stronger access to the business community differed markedly in size, in their economic environments, and in the characteristics of their clients. Three of the four were characterized by unemployment rates below the national average, while one, Cincinnati, had a higher than national rate. The experiences of the four prime sponsors are summarized individually in the chapter.

Cincinnati

The Cincinnati prime sponsor was distinguished by the strong support it received from the local business community. The Cincinnati area is characterized by substantial unemployment and a decline in the importance of its major industrial sector, manufacturing. Cincinnati, therefore, illustrates potentials and problems for older Midwestern and Northeastern cities which have been undergoing structural changes involving shrinkages in their earlier economic base.

Cincinnati, the third largest city in Ohio, is located on the Ohio River adjacent to the State of Kentucky. Cincinnati had a population of over 425,000 in 1975, a decline of nearly six percent from 1970. The flight of the white

middle class to the surrounding suburbs has left the central city with a concentration of the poor, the aged, minorities, and female heads of households. Cincinnati continues to remain one of the Midwest's leading manufacturing centers, specializing in machine tools, chemicals, jet engines, and soaps and detergents. Although employment has been declining in manufacturing, this sector still accounted for nearly three-tenths of the total employment in 1975 (see Table 24).

Table 24

Distribution of Employment by Industry, Cincinnati, 1975

<u>Industry</u>	<u>Percent of Total Employment</u>
Agriculture and Mining	-(a)
Construction	2.1%
Manufacturing	29.7
Transportation, Communication, and Public Utilities	2.4
Trade	15.6
Finance, Insurance, and Real Estate	5.5
Services	24.8
Government	19.9
Unclassified	0
Total	100.0

(a) less than 0.1 percent

The recession in the mid-1970's brought a sharp increase in unemployment in the city, especially in firms manufacturing durable goods. The effects of the cyclical downturn and the changes in the city's economic structure were evident in an 8.6 percent unemployment rate in the two quarters extending through March 1977. About 40 percent of the unemployed were minorities.

The Cincinnati prime sponsorship was formed out of the pre-CETA Comprehensive Manpower Program (CMP), and many of the staff were carried over from

this program to CETA. Political differences between the city and surrounding county prevented a consortium from becoming established, so that the prime sponsorship is a city unit. Cincinnati is governed by a council-manager form of government with an appointed city manager who is the chief administrative officer and the person with overall responsibility for the local CETA program.

Since unemployment in Cincinnati falls so heavily on minorities, the priority in the Title I programs has been on serving minorities and disadvantaged persons, frequently overlapping groups. The characteristics of the Cincinnati population, and of the persons in the programs intended to lead to unsubsidized employment are summarized in Table 25.

Table 25

Characteristics of Local Population and Title I
Clients, Cincinnati Prime Sponsor

Characteristic	Percent of		
	Cincinnati Population, 1970	Title I Clients, 1976-1977	OJT Clients, 1976-1977
Minorities	28.1%	82.4%	75.7%
Under 21	36.9 (a)	50.1	30.8 (a)
Less than 4 years of High School	48.1 (b)	41.3	31.8
Economically disadvantaged (c)	17.7	73.9	62.6

(a) under 21

(b) 18 years and older refers to SMSA rather than only to Cincinnati.

(c) refers to civilian noninstitutional population earning less than poverty incomes.

Slightly more than a fourth of the Cincinnati population were minorities, in contrast to over four-fifths of the Title I clients. About a sixth of the population were economically disadvantaged. A roughly similar disproportion between local population and CETA clients was evident for economically disadvantaged persons. Minorities and disadvantaged persons were well represented in the OJT as well as in the Title I, programs.

An emphasis on classroom training was the distinguishing feature of the Cincinnati programs intended to prepare CETA clients for regular unsubsidized jobs. Nearly three-fourths of the Title I enrollees were in classroom training programs. On-the-job training was a minor element in the Cincinnati program accounting to approximately one out of 16 Title I enrollees (see Table 26).

Table 26

Distribution of Title I Enrollments, Cincinnati
Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Program</u>	<u>Percent of Title I Enrollments</u>
Classroom Training	73.9%
On-the-Job-Training	6.4
Work Experience	19.5
Public Service Employment	0.3
Other	0
Total	100.0

The Cincinnati program emphasized flexibility in training arrangements. Classroom training could precede or run concurrently with OJT. Classes could be given by the local vocational schools or on the employer's premises making use of company supervisory staff. The prime sponsor also contracted with private trade schools to train CETA enrollees. The schools were required to guarantee placement of an agreed-upon percentage of the students trained with CETA funds. The prime sponsor adopted this approach because it believed that private schools could be held to performance standards more readily than, for instance, community-based organizations providing similar services. The private schools were also regarded as more attuned to the needs of employers than, for example, the local vocational education system.

Employers or other representatives of the business community were well represented on the planning council in Cincinnati, making up about two-fifths of the membership. This was the most substantial business representation on any of the nine planning councils included in the study. The more active business representatives were also active in the Chamber of Commerce. These members served as a channel between the prime sponsor and local business organizations. The extent of this relationship was illustrated by the presence of an economic consultant on the CETA staff whose time and costs were shared between CETA and the Chamber. It was also illustrated by the presence of a marketing specialist from industry on the CETA staff with special responsibility for improving the marketing of the program among private employers.

The Cincinnati prime sponsor's interest in gaining access to employers was shown by a client screening test it adopted. The test assessed the vocational interests and aptitudes of CETA clients who were to be referred to employers. Use of the device made it easier for employers to reduce turnover among CETA clients; they might hire by matching interests and aptitudes with the employer's job requirements. It also served as a public relations tool, underscoring the point to employers that the prime sponsor was seeking to supply them with qualified employees. It helped clients by gaining consideration for them from employers who otherwise would have been reluctant to hire CETA enrollees.

The results of the prime sponsor's efforts to obtain the cooperation of the business community showed up primarily in the Chamber of Commerce's support for the local CETA program. The Chamber was instrumental in encouraging the planning council to evaluate the performance of its programs and of the organizations providing services under contract with the prime sponsor. The Chamber was a major influence in involving the prime sponsor in local economic development activities. A notable byproduct of this effort was evident in the Chamber success in attracting a major national retailing chain to establish a regional distribution center in the area. The prime sponsors in the Cincinnati area were to be given an opportunity to train over 1,000 persons who would provide much of the work force for the regional center.

The Cincinnati prime sponsor has attempted to involve many different groups as OJT or job placement organizations. The Chamber of Commerce has recently entered into a contract to market OJT programs among local employers. A local of the United Auto Workers Union was also under contract to develop OJT programs in the auto and other industries. While community-based organizations were active in job development as in most other prime sponsorships, there was no formal job development arrangement in effect in Cincinnati at the time of the site visits between the prime sponsor and the employment service.

The linkages with local industry were evident in the placements of OJT and classroom training enrollees in Cincinnati. Placements in craft-related or operatives jobs made up a significantly larger percentage of total placements than of the anticipated job openings. Cincinnati was also one of the few prime sponsors which placed OJT clients in management-related and sales positions (see Table 27).

Table 27

Anticipated Annual Average Job Openings, 1974-1985, and Placements
of Classroom Training and OJT Enrollees, Cincinnati
Prime Sponsor, October 1, 1976 through March 31, 1977

Occupational Group	Percent Distribution of		
	Projected SMSA, Job Openings ^(a) 1974-1985	Placements From OJT	Classroom Training
Professional and Technical	14.6%	0	3.9%
Management and Related	7.9	6.9	2.0
Sales	7.4	6.9	2.0
Clerical	29.0	27.6	23.5
Craft-Related	8.6	17.2	27.4
Operatives	10.6	20.7	21.6
Laborers, Nonfarm	2.3	0	0
Services	19.2	20.7	19.6
Farm	0.4	0	0
Total	100.0	100.0	100.0

(a) The job openings data refer to the SMSA which is substantially larger than the Cincinnati city area.

As in most of the other prime sponsorships surveyed, the placements from the skill training programs in Cincinnati were concentrated in smaller firms. However, the period covered by the placement data, the two quarters extending through March 1977, preceded the arrangement with the retail chain to establish a distribution center in the area. Approximately four-fifths or more of these placements were in private-for-profit firms (see Table 28).

Table 28

Placements Following OJT and Classroom Training, by Class of Employer,
Cincinnati Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Percent of Placements</u>	<u>OJT</u>	<u>Classroom Training</u>
in government agencies	0	2.0%
in non-profit organizations	10.3%	19.6
in large for-profit firms (a)	3.8	12.5

(a) in for-profit establishments employing 500 or more persons

Strong linkages with the business community provided the Cincinnati prime sponsor with more extensive access to local employers than was the case with the other prime sponsorships surveyed with similar high unemployment rates. While this access had not yet been translated into many placements in the large establishments in the area at the time of the site visits, the potential for increasing the involvement of both large and small employers in the CETA program appeared strong.

Milwaukee

The CETA program in Milwaukee represented a successful program actively involving both the business community and the employment service in supporting its programs. The Milwaukee prime sponsor was distinguished by innovations in job development and training and by the high percentage of its clients placed in large firms.

Milwaukee is a manufacturing center which, like many similar urban areas, has been undergoing a shift to a more service-oriented economy. The Milwaukee area is a leader in the production of electrical apparatus, gasoline and diesel engines, and automobile parts. Manufacturing is still the largest source of employment in the area, accounting for over three-tenths of total employment in the mid-1970's (see Table 29).

Table 29

Distribution of Employment by Industry, Milwaukee SMSA, 1975

<u>Industry</u>	<u>Percent of Total Employment</u>
Agriculture and Mining	1.0%
Construction	2.8
Manufacturing	30.8
Transportation, Communication, and Public Utilities	4.7
Trade	20.4
Finance, Insurance, and Real Estate	5.1
Services	23.2
Government	12.0
Unclassified	0
Total	100.0

As a center of durable goods manufacturing, Milwaukee has been highly susceptible to cyclical shifts in employment and unemployment. The unemployment rate at the time of the site visits was 5.8 percent, a rate well below the national average. However, in June 1975, a time of sharp cyclical downturn, the rate had risen to 9.7 percent. Because of this susceptibility to cyclical unemployment, a greater than average share of the total resources available to the prime sponsor has been used for public service employment.

The Milwaukee prime sponsorship is administered by the county and it includes the city within its area. The prime sponsor area includes 75 percent of the population of the Milwaukee SMSA. The County Executive has regarded the CETA programs concerned with preparation for unsubsidized employment as an aid in economic development. Accordingly, both the CETA program and the Office of Business Development of the county government are under the jurisdiction of the County's Office for Economic Resource Development.

Milwaukee has a lower percentage of disadvantaged persons, minorities, and young adults in its population than in the United States generally. However, these groups, especially minorities and economically disadvantaged persons, made up a substantial majority of the Title I clients (see Table 30).

Table 30

Characteristics of Local Population and
Title I Clients, Milwaukee Prime Sponsor

<u>Characteristic</u>	<u>Percent of</u>		
	<u>SMSA Population 1970</u>	<u>Title I Clients, 1976-1977</u>	<u>OJT Clients 1976-1977</u>
Minority	10.8%	60.3%	41.0%
Under 21	38.5 (a)	55.1	53.0 (a)
Less than 4 Years of High School	39.6 (b)	55.5	25.0
Economically Disadvantaged	9.1	85.9	98.0

(a) under 21

(b) 18 years and older

In seeking to make use of CETA to promote local economic development, the Milwaukee prime sponsor also served a clientele largely made up of the groups with the most critical employment needs. For example, although economically disadvantaged persons made up less than a tenth of the SMSA population, they constituted more than five-sixths of the Title I clients. In the program most closely involving employer participation, on-the-job training, the enrollees were a selected group in terms of educational qualifications and race. It was also apparent that economically disadvantaged persons were well represented in the program.

Milwaukee, like Cincinnati, has placed its main emphasis on classroom training in the programs intended to lead to unsubsidized employment. Again, the on-the-job training programs were a minor part of the enrollment (see Table 31).

Table 31

Distribution of Title I Enrollments, Milwaukee Prime
Sponsor, October 1, 1976 through March 31, 1977

<u>Program</u>	<u>Percent of Title I Enrollments</u>
Classroom Training	62.4%
On-the-Job-Training	7.7
Work Experience	29.9
Public Service Employment	0
Other	0
Total	100.0

The Milwaukee prime sponsor was attempting to reduce enrollment in the work experience programs with their frequent heavy emphasis on income maintenance. By the time of the survey, seven-tenths of the enrollments in Title I programs were in occupational skill training or closely related programs, such as basic English for adults.

The political as well as the business leadership in Milwaukee supported the local CETA program and contributed to its success. The County Executive in Milwaukee issues an annual "Community Report", and this report has stressed the importance of the CETA effort for employers. The business community was well represented on the planning council, accounting for about a fourth of the membership. The involvement of the business community was illustrated by the contract between the Association of Commerce, the local Chamber of Commerce, and the prime sponsor for the marketing of OJT programs. The full-time staff for this program had originally been persons on loan from the employment service. The Association replaced the employment service personnel with its own staff. It also absorbed the National Alliance of Business program in Milwaukee. Other significant illustrations of the role of the private sector include the Big Step consortium of building contractors and trade unions set up to provide training and placement for enrollees in construction occupations.

The employment service was more important in the Milwaukee CETA program than in most of the other prime sponsorships surveyed. It was responsible for screening and referral of CETA clients to all Title I programs. It was also responsible for placing the graduates of classroom training programs and, to a lesser extent, in developing OJT programs.

The placements of enrollees in OJT and classroom training programs were heavily concentrated in blue-collar fields, especially in semi-skilled operatives occupations, with a secondary concentration in clerical positions. The emphasis on blue collar placements stemmed from the importance of manufacturing in the local economy and the support given CETA by the business community (see Table 32).

Table 32

Anticipated Annual Average Job Openings, 1970 to 1980,
and Placements of Classroom Training and OJT Enrollees,
Milwaukee Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Occupational Group</u>	<u>Percent Distribution of</u>		
	<u>Projected SMSA Job Openings 1970-1980</u>	<u>OJT</u>	<u>Placements From Classroom Training</u>
Professional and Technical	16.1%	1.0%	2.0%
Management and Related	8.3	1.0	0.6
Sales	9.0	0	0.6
Clerical	26.4	19.8	29.8
Craft-Related	8.6	8.9	10.6
Operatives	12.0	57.4	40.6
Laborers, Nonfarm	2.3	0	4.6
Services	17.0	11.9	11.2
Farm	0.3	0	0
Total	100.0	100.0	100.0

The percentage of placements in craft-related or operatives jobs was 2-1/2 times or greater than the percentage of job openings anticipated in these fields. Many of these placements were in large establishments. The

placements following OJT or classroom training were also very largely concentrated in private-for-profit firms (see Table 33).

Table 33

Placements Following OJT and Classroom Training, by Class of Employer,
Milwaukee Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Percent of Placements</u>	<u>OJT</u>	<u>Classroom Training</u>
in government agencies	0	4.6%
in non-profit organizations	2.0%	5.4
in large for-profit firms (a)	41.4	22.9
(a) in for-profit establishments employing 500 or more persons		

Milwaukee was the prime sponsor among the nine surveyed with the highest percentage of placements in large firms. The concentration in the private-for-profit sector and among large firms reflects the prime sponsor's success in establishing its credibility in the local business community.

South Carolina

South Carolina was the one prime sponsor included in the study which was organized as a statewide consortium. For this reason, it was the largest program among the nine. The major innovative element in the South Carolina program was the linkage between the CETA program and efforts to create new jobs through the State's economic development program.

Rapid economic growth in the past two or three decades has significantly changed the industrial and occupational structure of South Carolina. The most striking changes have been the shift from farm to non-farm work, and the greater importance of white collar employment. Manufacturing has become the principal industry in South Carolina. While the textile industry has become relatively less important as manufacturing has become more diversified, textile mills still accounted for one-seventh of all nonagricultural employment in the State in the early 1970's (see Table 34).

Table 34

Distribution of Employment by Industry, South Carolina, 1970

<u>Industry</u>	<u>Percent of Total Employment</u>
Agriculture and Mining	4.2%
Construction	6.7
Manufacturing	35.2
Transportation, Communication, and Public Utilities	4.1
Trade	16.5
Finance, Insurance, and Real Estate	3.2
Services	15.4
Government	14.7
Unclassified	0
Total	100.0

The labor force employed in manufacturing or other nonagricultural industries in the State has been three-fourths white. Unemployment rates in South Carolina in recent years have approximated the national average. The 7.2 percent unemployment rate at the time of the survey was slightly less than the national average of 7.6 percent.

The CETA program in South Carolina evolved from its predecessor, the Comprehensive Manpower Program (CMP). Like CETA, the CMP was a statewide effort. In the CETA program, one prime sponsor embracing the entire State served the 13 areas eligible to become prime sponsors as well as the balance of the State. The State government has placed a high priority on economic development, and human resources development has been recognized as an important element in the programs aimed at attracting industry to the State. The Governor's office has maintained a direct interest in the CETA program, and the program has been administered as part of the State governmental structure. The State Office of Manpower Planning and Coordination (OMPC) has been the agency responsible for administering the CETA program.

The CETA program in South Carolina has served a population with a larger percentage of economically disadvantaged persons, minorities, and persons with less than a high school education than any of the other nine prime sponsors. These groups were heavily represented in the CETA programs included under the rubric of Title I (see Table 35).

Table 35

Characteristics of State Population and Title I Clients,
South Carolina Prime Sponsor

<u>Characteristic</u>	<u>Percent of</u>		
	<u>South Carolina Population, 1970</u>	<u>Title I Clients, 1976-1977</u>	<u>OJT Clients, 1976-1977</u>
Minorities	30.7%	70.3%	50.8%
Under 21	43.4 (a)	53.5	31.6 (a)
Less than 4 years of High School	57.3 (b)	60.0	44.0
Economically Disadvantaged	23.9	87.7	81.6

(a) under 21

(b) 18 years and older.

Economically disadvantaged persons and minorities were considerably more substantially represented among the Title I enrollees than in the State's population. However, minorities or persons with less than four years of high school education were considerably less well represented in OJT than in the overall Title I.

As in Milwaukee, the South Carolina CETA program was seeking to increase enrollments in the skill training programs and to reduce enrollments in the work experience programs. While work experience programs were the largest single component in the Title I programs at the time of the survey, over half of the enrollments in the programs intended to lead to unsubsidized employment were in on-the-job or classroom training (see Table 36).

Table 36

Distribution of Title I Enrollments, South Carolina
Prime Sponsor, October 1, 1979 through March 31, 1977

<u>Program</u>	<u>Percent of Title I Enrollments</u>
Classroom Training	40.1%
On-the-Job-Training	16.0
Work Experience	43.7
Public Service Employment	0.2
Other	0
Total	100.0

South Carolina exceeded the national figure for the percentage of enrollees in the Title I programs in on-the-job training. The comparable figures are 16 percent for South Carolina as compared with a national figure of under 11 percent. Part of the success of the OJT program was attributable to the establishment of a private non-profit organization specifically set up to arrange for OJT programs.

Because it was a statewide program, the prime sponsor's organization in South Carolina was more complex than was the case with the other local CETA programs. The State is divided into ten districts for purposes of CETA planning. Each of the areas performs some functions generally done elsewhere by prime sponsors, such as preparing a local plan. Each area also has its own planning council. The State Manpower Services Council (SMSC) serves as the liaison between the local planning councils and the Governor's office. Only one member of the State Council was drawn from the business community, and this organization played a minor role in promoting CETA among private employers.

The South Carolina prime sponsor's most important linkage with private employers was through the State's economic development program. One of the inducements the State offered to attract new companies to South Carolina was the availability of a labor force trained to the employer's needs and available at the time the new establishment would begin to operate. The training was provided by the Technical Education Center System (TEC), a statewide technical education system, separate from the regular vocational education system, set up for this purpose. The South Carolina prime sponsor purchased training slots in the TEC system and, in this way, it funded a substantial share of the system's costs. CETA clients who had been trained in the system would be referred to employers for jobs in the same way other trainees were referred.

The employer was usually unaware that he was considering or hiring a CETA enrollee.

The South Carolina prime sponsor was an innovator in other ways. The establishment of a private non-profit firm to arrange for OJT programs was one instance. This organization was responsible for developing OJT programs in nine of the State's 13 areas which could have qualified as individual prime sponsors. The South Carolina prime sponsor maintained control by reserving the right to withdraw funds if quotas for OJT slots were not met by the nonprofit organization. Community-based organizations were also involved in training and in arranging job placements and OJT programs. The National Alliance of Business held a contract to develop OJT programs in one area of the State, in the Greenville area. The employment service was involved in some job development, but its primary functions in the CETA program were certification, screening, and counselling enrollees. There was a degree of competition between the training activities of the community-based organizations and those provided by the Technical Educational System, and between the placement services offered by the community organizations and the employment service.

The occupational concentrations in placements in South Carolina were influenced by the changes in the State's economy, the new jobs created by the economic development program, and the makeup of the client population. Placements of OJT clients were heavily concentrated in semi-skilled operated and craft-related fields. The two occupational groups accounted for almost four-fifths of the placements. South Carolina was also the prime sponsor with the least emphasis on placing classroom training enrollees in clerical positions (see Table 37).

Table 37

Anticipated Annual Average Job Openings, 1974-1985, and Placements
of Classroom Training and OJT Enrollees, South Carolina
Prime Sponsor, October 1, 1976 through March 31, 1977

Occupational Group	Percent Distribution of		
	Projected State Job Openings, 1974-1985	OJT	Placements From Classroom Training
Professional and Technical	13.4%	0	2.0%
Management and Related	10.7	1.0	0
Sales	6.5	4.0	1.0
Clerical	17.0	12.0	21.0
Craft-Related	14.1	24.0	17.0
Operatives	15.5	54.0	26.0
Laborers, Nonfarm	5.2	3.0	3.0
Services	16.6	2.0	30.0
Farm	1.0	0	0
Total	100.0	100.0	100.0

While virtually all OJT placements in South Carolina were in private-for-profit firms, non-profit organizations and government agencies were responsible for nearly a fourth of the placements following classroom training. As in most of the other prime sponsorships, placements were concentrated in smaller establishments (see Table 38).

Table 38

Placements Following OJT and Classroom Training, by Class of Employer,
South Carolina Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Percent of Placements</u>	<u>OJT</u>	<u>Classroom Training</u>
in government agencies	0.1%	6.5%
in non-profit organizations	0.3	17.5
in large for-profit firms (a)	9.0	12.3

(a) in for-profit establishments employing 500 or more persons

The distinguishing features of the South Carolina program which worked well in the State differ in the extent to which they are likely to be replicable elsewhere. South Carolina was unique in the statewide organization of its program, and this is a feature which would frequently lack appeal to other prime sponsors concerned with the problems of urban areas and losses in their economic base. The close association of the CETA program with a public economic development effort provides a basis in experience which is more generally applicable to areas seeking to attract new industry.

Wichita

The Wichita CETA program offers a good example of a prime sponsor who has succeeded in bridging the gap between its role as a social program and its role as a source of labor for local employers. Wichita has been an innovator in attracting employers to make use of their staffs and facilities in CETA classroom training programs. The success of the Wichita program has been facilitated by a low unemployment rate, and by the fact that several large manufacturing firms cooperating in the program are headquartered in the area.

The Wichita prime sponsor serves the City of Wichita, a medium-sized city with a population of slightly more than a quarter of a million. Manufacturing is an important source of employment in the area, and Wichita has been a national leader in the mass production of small aircraft used by private companies and in general aviation. As in the Nation generally, services have come to represent the leading source of employment. The importance of

services and trade attest to the role of Wichita as the hub of a surrounding region as well as a manufacturing center (see Table 39).

Table 39

Distribution of Employment by Industry, Wichita SMSA, 1975

<u>Industry</u>	<u>Percent of Total Employment</u>
Agriculture and Mining	2.7%
Construction	5.7
Manufacturing	26.3
Transportation, Communication, and Public Utilities	5.2
Trade	23.3
Finance, Insurance, and Real Estate	4.7
Services	28.0
Government	4.1
Unclassified	0
Total	100.0

At the time of the field surveys, in early 1977, Wichita and Fort Worth were the two prime sponsor areas with the lowest unemployment rates, 5.4 percent for each. As indicated by the low unemployment rate, the Wichita area has been experiencing labor shortages, especially shortages for skilled labor.

Wichita had participated in the federally-funded employment and training programs prior to the introduction of CETA. A municipal employment service called Job Teams had been established in the city government's Division of Economic Development in the period before CETA. When CETA was set up in Wichita, the Job Teams were incorporated into the existing structure of city government. They became a major CETA service deliverer located at community centers and focussing on serving economically disadvantaged persons.

Wichita makes up about four-fifths of the population of Sedgewick County, and about seven-tenths of the SMSA population. Economically disadvantaged persons or nonwhites made up a smaller percentage of the local population than in most of the other prime sponsorships surveyed or in the Nation generally. While these groups were substantially represented in the programs preparing for unsubsidized employment, economically disadvantaged persons made up a smaller percentage of the enrollees in Title I programs in Wichita than in any of the other prime sponsorships in the study (see Table 40).

Table 40
Characteristics of Local Population and Title I Clients,
Wichita Prime Sponsor

<u>Characteristic</u>	<u>Percent of</u>		
	<u>Sedgewick County Population, 1970</u>	<u>Title I Clients, 1976-1977</u>	<u>OJT Clients, 1976-1977</u>
Minority	8.9%	39.9%	20.0%
Under 22	40.9 (a)	45.4	62.0 (a)
Less than 4 years of High School	34.0 (b)	41.9	53.0
Economically Disadvantaged	10.4	63.5	52.0
(a) under 21			
(b) 18 years and older			

There was some inconsistent evidence of selectivity in the on-the-job training programs. Persons who had not completed high school were more substantially represented in OJT than in the other Title I programs. Economically disadvantaged persons, and especially minorities were considerably less well represented.

Wichita was distinguished among the nine prime sponsors by its heavy emphasis on skill training. Four-fifths of all the enrollees supported by the funds available from all CETA programs to the prime sponsor were in the Title I programs intended to prepare CETA clients for regular employment. All of the Title I enrollees were either in classroom or on-the-job training programs. Wichita was the one prime sponsor among the nine for which this was the case (see Table 41).

Table 41

Distribution of Title I Enrollments, Wichita Prime
Sponsor, October 1, 1976 through March 31, 1977

<u>Program</u>	<u>Percent of Title I Enrollments</u>
Classroom Training	74.8%
On-the-Job-Training	25.2
Work Experience	0
Public Service Employment	0
Other	0
Total	100.0

The emphasis on skill training in the Wichita CETA program is illustrated by the OJT enrollments. The percentage of Title I enrollees in OJT, the program most directly involving employers, was 25 percent of the total. This was the highest percentage of OJT involvement for the nine prime sponsors.

The success of the Wichita program has stemmed from the prime sponsor's ability to convince the business community that recruitment of disadvantaged and minority-group CETA enrollees can contribute to easing labor shortages. The Wichita program has lacked the formal linkages with business organizations that have distinguished other prime sponsors, such as Cincinnati or Milwaukee. Several informal but active linkages have taken their place. Similarly, representatives drawn from the business community made up a small minority of the planning council membership, two out of fourteen. But the chairman of the council was a member of the business community who actively solicited employers to cooperate with the CETA program.

Although the Chamber of Commerce in Wichita was not under contract with the prime sponsor to provide services, a close working relationship existed between the two organizations. The relationship was facilitated because the Chamber's economic development activities were funded by the city. The CETA program was regarded as an aid to development since it could provide an important source of recruits for firms seeking to expand or to become established in Wichita. The Chamber actively publicized CETA. It distributed flyers to its members advertising the availability of CETA enrollees including short resumes indicating their backgrounds, experience and training. Aside from its interest in CETA because of economic development, the Chamber also maintained a strong interest in upgrading economically disadvantaged persons.

It had established a Manpower Resources Office concerned with the employment problems of minorities. The National Alliance of Business office in Wichita promoted OJT programs but it was less actively involved in obtaining business support for the local CETA effort.

The Wichita CETA program extended its good reputation in the business community by offering flexible training programs tailored to the needs of individual employers. For instance, classroom training programs could be conducted at the employer's worksite as well as at a local training institutions such as the vocational education centers. Instruction could be provided by the employer's supervisory staff as well as by regular teachers from the local school system. The classroom training might lead to placement after completion of the program, or it could serve as a prerequisite for an OJT program. For example, a group of construction firms formed an association to provide instructors for the orientation training conducted at the vocational education system's skills center making use of CETA funds. The instruction was mainly concerned with motivational and attitudinal training, but it was combined with field work including some basic training in equipment operation. Graduates of this classroom program were often placed in regular OJT programs with member employers.

The employment service in Wichita did not have an arrangement to provide services to the prime sponsor, and its role was minor in dealing with CETA clients. Many of the CETA-related functions performed by employment services in other areas were done by the Job Teams in Wichita. Four community based organizations provided services to CETA clients including placement services. These organizations were held to performance contracts requiring the placement of 25 CETA clients a year for each professional person on their staff. Each of the organizations served a separate geographic area within the city. In effect, the individual organizations concentrated their activities on different target populations since the various ethnic group were substantially separated geographically within the city.

The classroom training programs in Wichita placed one third of their graduates in clerical occupations, somewhat less than the typical percentage of placements in this field by the nine prime sponsors. The placements following OJT were heavily concentrated in semi-skilled operatives jobs (see Table 42).

Table 42

Anticipated Annual Average Job Openings, 1975-1980, and Placements
of Classroom Training and OJT Enrollees, Wichita
Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Occupational Group</u>	<u>Percent Distribution of</u>		
	<u>Projected SMSA Job Openings 1975-1980</u>	<u>OJT</u>	<u>Placements From Classroom Training</u>
Professional and Technical	20.1%	0	6.3%
Management and Related	9.8	0	0
Sales	8.3	2.9	2.5
Clerical	22.0	2.9	33.7
Craft-Related	10.1	14.3	5.0
Operatives	7.9	65.6	21.2
Laborers, Nonfarm	1.2	5.7	8.8
Services	20.4	8.6	22.5
Farm	0.2	0	0
Total	100.0	100.0	100.0

Nearly two-thirds of the OJT placements in Wichita were in semi-skilled operatives jobs. This represented a greater concentration in the operatives field than among the other prime sponsors surveyed. Yet only about eight percent of the job openings in Wichita in the 1975 to 1980 period were expected to represent openings for these positions. The emphasis on operatives placements underscores the role of the prime sponsor as a supplier of labor for entry level jobs in local industry. The relatively large placements of classroom trainees in professional and technical fields included placements for CETA clients as designers' assistants and engineering technicians.

The industry orientation of the Wichita CETA program shows up more clearly in the placements following OJT than in those after classroom training. All of the placements from OJT were in private-for-profit firms, and over a fourth were in large establishments (see Table 43).

Table 43

Placements Following OJT and Classroom Training, by Class of Employer,
Wichita Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Percent of Placements</u>	<u>OJT</u>	<u>Classroom Training</u>
in government agencies	0	3.8%
in non-profit organizations	0	25.0
in large for-profit firms (a)	28.6	12.3

(a) in for-profit establishments employing 500 or more persons

A considerably smaller proportion of the classroom trainees were placed in large establishments, and a larger percentage were placed in government agencies or nonprofit organizations. To a considerable extent, the differential in placements reflects the prime sponsor's relationship with large firms. The prime sponsor's linkage to large firms was facilitated because several of the large employers in the area had begun their operations in Wichita, and they continued to maintain their corporate headquarters in the area. This was particularly true of the manufacturers of small aircraft. The prime sponsor, accordingly, had access to local executives who were responsible for the decision to participate in CETA programs, often programs combining classroom training and OJT at the employers' worksite. Access to large private employers was less available to the community-based organizations which were responsible for much of the placement of CETA classroom training enrollees.

Implications for Other Prime Sponsors

All four of the local CETA programs with the stronger access to the private sector were in communities characterized by relatively conservative political administrations and business communities. Yet in all four, the local government administration and the business communities supported the effort to involve private employers in the prime sponsors' programs. This

experience shows that the political complexion of the community need not pose a barrier to the development of successful relationships with the business community.

The common denominator among the four prime sponsors was their definition of objectives and the steps taken by them to implement objectives. All four assigned a priority to placing their clients in the private sector. All four tailored their strategies so that they served a labor supply function adapted to the needs of local employers. Implementing this function typically involved the utilization of business organizations as intermediaries together with a willingness to innovate in training program and in the choice of organizations to deliver services in the CETA program. These innovations and linkages were established by prime sponsors with a preponderance of disadvantaged and minority-group clients in their skill training programs. Labor market handicaps and barriers to employment based on race or similar considerations did not figure as a factor significantly limiting the ability of these prime sponsors to establish strong relationships with local employers.

Introduction

The other five prime sponsors included in the study were Albuquerque, Fort Worth, New Haven, Passaic, and Sacramento. These local CETA programs were characterized by a more limited involvement of the local business community in their programs. Typically, they also included strong points in their programs which indicated potentials for attracting greater support from private employers in the future.

The prime sponsors with the less marked access to employers made up a diverse group in their economic structures and client characteristics. They included communities, such as Fort Worth and Passaic, in which manufacturing was the principal source of employment. They also included areas in which service industries and government were the primary employers, i.e., Sacramento. Three factors illustrate the differences between the prime sponsors with lesser involvement with business from those with the greater involvement. One was their higher unemployment rate. The local unemployment rate exceeded the national average at the time of the survey in four of the five areas in this group. However, the group also included Fort Worth, the prime sponsor which tied with Wichita for the lowest unemployment rate among the nine prime sponsors. For another consideration, there was a greater emphasis on placements in nonprofit organizations or in State and local government agencies in the prime sponsorships with the lesser support from business. And, for a third differentiating factor, placements from the skill training programs, from OJT and classroom training, made up a smaller percentage of the Title I placements by enrollees receiving services from the prime sponsor than was the case with the other group. Placements following OJT and classroom training, on an average, were less than a third, 31 percent, of these placements and compared with nearly two-thirds, 65 percent, for the group with the more extensive involvement with the business community.

All of the five prime sponsors included some elements in their programs aimed at strengthening relationships with employers. Albuquerque, for example, was involved with the local business community in an economic development program intended to attract more industry to the area. In New Haven, the Chamber of Commerce had entered into a contract with the prime sponsor to promote on-the-job training programs. Labor shortages in Fort Worth had created an opportunity for the prime sponsor to increase its role as a supplier of labor to local private employers. Changes in administration in the Passaic program since the initial survey have indicated a shift in priorities, assigning greater importance to strengthening linkages with the business community. The high ratio of placements to terminations in the OJT program in Sacramento suggests that the development of stronger relationships with the business community could lead to a higher placement ratio for clients in the classroom training programs.

The designation of individual prime sponsors as those with "strong linkages" to the business community or as "other" refers to the experience in a relatively narrow span of time. This was the six-month period extending through March 31, 1977, the basic period covered by the field visits. More recent changes in economic activity or in program administration and priorities may well have shifted several of the prime sponsorships from the "other" category to the group with the stronger linkages with business. However, the experience at the time of the site visits can provide insights and information for improving programs and strategies in these and other local CETA programs.

Albuquerque

Although Albuquerque is involved in economic development activities, these efforts, at the time of the field surveys, had yet to be translated into substantial numbers of jobs for CETA clients. A convergence of different factors appears to have accounted for this result. They include a high unemployment rate, difficulties in selecting effective organizations to provide services to CETA clients, lack of industry in the area, and problems in making the transition from planning to implementing development programs.

The Albuquerque area is more heavily dependent on service industries for employment than any of the other prime sponsor areas surveyed. Jobs in services and in trade have accounted for over three-fifths of the total employment in the SMSA. Manufacturing is a minor element in the local economy, and the percentage of persons at work in manufacturing has been less than a third of the national average, about 8 percent for Albuquerque as compared with 26 percent nationally (see Table 44).

Table 44

Distribution of Employment by Industry, Albuquerque SMSA, 1970

<u>Industry</u>	<u>Percent of Total Employment</u>
Agriculture and Mining	1.4%
Construction	7.0
Manufacturing	7.6
Transportation, Communication, and Public Utilities	6.8
Trade	23.6
Finance, Insurance, and Real Estate	5.9
Services	38.2
Government	9.5
Unclassified	0
Total	100.0

The high concentration of service industries, trade, government, and R & D enterprises in Albuquerque creates a demand for professional and technical, clerical, and service personnel which the economically disadvantaged personnel in the CETA program lack the education and training to fill. The area was characterized by a 9.5 percent unemployment rate for the two quarters extending through March, 1977. This was a high rate nationally, and an unusually high rate for a city in the nation's "Sun Belt" region.

Albuquerque has had extensive experience with employment and training programs dating back to the Manpower Development and Training Act in the 1960's. The city was one of the first to establish a Concentrated Employment Program (CEP) providing integrated services to meet the needs of the disadvantaged population in high unemployment areas such as Albuquerque. The city was one of nine areas selected in the early 1970's as demonstration cities under the Comprehensive Manpower Program (CMP), the forerunner of CETA. The two programs provided Albuquerque with experience in admin-

istering locally controlled employment and training programs before the introduction of CETA.

The Albuquerque prime sponsorship is a consortium consisting of the City of Albuquerque and the balance of Bernalillo County. The local CETA program is operated by the City of Albuquerque's Office of Comprehensive Employment and Training Administration (OCETA). OCETA has received the active support of the Mayor and City Council. Shortly after the site visit a new Mayor was elected, David Rusk, who had formerly headed the CEP program in Albuquerque.

The Albuquerque population was distinguished by the high proportion of its population with an Hispanic background. The city proper contained about three-fourths of the SMSA population. Nearly two-fifths of this population had a Spanish surname. Albuquerque was also noted for an above-average percentage of young persons and economically disadvantaged persons in the local population (see Table 45).

Table 45

Characteristics of Local Population and Title I
Clients, Albuquerque Prime Sponsor

<u>Characteristic</u>	<u>Percent of</u>		
	<u>Albuquerque SMSA Population, 1970</u>	<u>Title I Clients, 1976-1977</u>	<u>OJT Clients, 1976-1977</u>
Minority	4.7%	21.9%	13.9%
Hispanic	39.2	62.4	-(a)
Under 21	43.9	51.4	46.8
Less than 4 years of High School	31.8	55.5	32.9
Economically Disadvantaged	16.3	88.7	83.5

(a) not available

Albuquerque was the one prime sponsorship among the nine in which more than half of the Title I enrollees were of Hispanic background. Disadvantaged persons, other minorities, young persons, and individuals with less than a full high school education were also substantially represented, although less so in OJT than in the other Title I programs.

Classroom training dominated the programs aimed at preparing persons for regular jobs. Albuquerque was the prime sponsor among the nine with the smallest percentage of enrollments in OJT (see Table 46).

Table 46

Distribution of Title I Enrollments, Albuquerque Prime
Sponsor, October 1, 1976 through March 31, 1977

<u>Program</u>	<u>Percent of Title I Enrollments</u>
Classroom Training	61.5%
On-the-Job-Training	6.0
Work Experience	32.5
Public Service Employment	0
Other	0
Total	100.0

Only 6 percent of the Title I enrollees were in on-the-job training programs. This compares with an average of 14 percent for the nine prime sponsors. Many of the enrollees in classroom training, over a fourth, were in programs other than job training which related to employability development. Basic English for adults was the major program.

The prime sponsor's involvement with the business community grew out of its participation in the local economic development programs, and its relationships with the National Alliance of Business and the Chamber of Commerce. Business participation on the planning council was nominal, and the council was dominated by representatives of State and local government agencies and community-based organizations.

Albuquerque was one of 10 cities selected by the Federal Government for planning grants under the Community Economic Development Demonstration Program. The program was jointly funded by the Departments of Labor and Housing and Urban Development and the Economic Development Administration. The funds provided were to be used to coordinate State and local economic development efforts, and to encourage the private sector to join in the program. The availability of CETA training programs were to serve as part of the inducements to attract employers. At the time of the site visits, in early 1977, the program was still largely in the planning stage. Coordination of community development and training programs has been taking

place in Albuquerque independently of the Demonstration Cities Project, making use of other public funds. The Barelás Industrial Park was the major example of the linkage of employment and training programs with economic development in Albuquerque. The park is on a fifty acre site on the fringes of the city near a low income area. The prime sponsor had established an outreach center in the area to provide neighborhood residents with information about job possibilities in the Barelás Park. The CETA-funded skills center was also located in the park, and CETA offered to train its clients in the skills needed to attract employers to locate in the area. When a large garment manufacturer located in Albuquerque, for example, a number of workers were placed in OJT programs funded by CETA in the plant. By Department of Labor regulations, however, training for sewing machine operatives could not be supported by CETA funds, and economic development funds were utilized for this purpose. Over \$70 million in public funds have been earmarked for projects in the Albuquerque Central Corridor, the major commercial artery and its surrounding area in downtown Albuquerque. When these projects are implemented, they should create an important opportunity to make use of economic development programs to create jobs for disadvantaged persons.

Aside from the potential for creating jobs, the prime sponsor's involvement in the redevelopment effort has provided it with access to business groups such as the Chamber of Commerce. This relationship had led to the Chamber's publicizing the local CETA program, and supplying leads to the prime sponsor indicating prospects for placing enrollees in jobs.

Placements for CETA clients were arranged by community-based organizations, the employment service, and, for OJT programs aimed at larger employers, by the National Alliance of Business. The employment service, had lost its exclusive contract to arrange OJT programs in smaller firms in the 1977 fiscal year when the prime sponsor shifted this activity to a community-based organization. Disappointment with the performance of the community organization prompted the local CETA to shift back to the employment service at mid-year. Both the community based organizations and the employment service participated in placing classroom training enrollees. Since these changes in arrangements affected funding and jobs in the organizations affected, bureaucratic rivalries were an apparent influence on the operations of the local CETA program.

The data on placements following OJT are incomplete for Albuquerque. The placement information, therefore, is limited to classroom trainees. Nearly three-fourths of these placements were in clerical positions (see Table 47).

Table 47

Anticipated Annual Average Job Openings, 1970-1980, and Placements
of Classroom Training Enrollees, Albuquerque Prime
Sponsor, October 1, 1976 through March 31, 1977

<u>Occupational Group</u>	<u>Percent Distribution of</u>	
	<u>Projected SMSA Job Openings 1970-1980</u>	<u>Placements From Classroom Training</u>
Professional and Technical	17.1%	0
Management and Related	3.7	0
Sales	11.4	0
Clerical	28.5	74.2
Craft-Related	9.8	0
Operatives	8.3	9.7
Laborers, Nonfarm	1.8	0
Services	19.4	16.1
Farm	0	0
Total	100.0	100.0

Albuquerque's concentration on placements in clerical occupations was considerably greater than any of the other prime sponsors among the nine. The limited number of placements in craft-related or operatives positions reflects the absence of a significant manufacturing center in the local economy. The absence of a larger number of placements in these jobs also stems from the prime sponsor's lack of access to the largest private em-

ployer in the area, the Sandia Laboratory, a federally funded R & D organization concerned with nuclear and other energy.

The lack of strong linkages with the private sector shows up in the importance of government agencies in the classroom training placements. Placements in these organizations was one of the reasons for the concentration on training in clerical occupations. The placements that did occur in the private sector were very largely in small firms (Table 48).

Table 48

Placements Following Classroom Training, by Class of Employer,
Albuquerque Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Percent of Placements</u>	<u>Classroom Training</u>
in government agencies	29.0%
in non-profit organizations	0
in large for-profit firms (a)	4.5
(a) in for-profit establishments employing 500 or more persons	

Although the Albuquerque prime sponsor was an active participant in a number of economic development activities, these activities had not made their effects evident in employers' cooperation with CETA in planning, placement, or training. Implementation of the economic development programs, and a more workable relationship between the prime sponsor, community based organizations, and the employment service should increase the prospects for attracting the business community to the local CETA program.

Fort Worth

Fort Worth, like Wichita, was outstanding for its low unemployment rate. It was also the prime sponsor most dependent on government agencies and nonprofit organizations for its placements following OJT. In the absence of effective linkages with the private sector, a booming economy in a "Sun Belt" community was insufficient to develop substantial support for the local CETA program among private-for-profit employers.

Fort Worth is part of the Dallas-Fort Worth Metroplex, an area noted nationally for its rapid economic growth. While the city was known earlier as a meat packing and shipping center for cattle, aerospace has become the dominant manufacturing industry in an area in which manufacturing is the largest single source of jobs. The Fort Worth prime sponsorship is a consortium serving the City of Fort Worth and five surrounding suburban communities. The consortium area includes about three-fourths of the SMSA population. The distribution of employment by industry in the Fort Worth SMSA in the early 1970's is described in Table 49.

Table 49

Distribution of Employment by Industry, Fort Worth SMSA, 1970

<u>Industry</u>	<u>Percent of Total Employment</u>
Agriculture and Mining	1.7%
Construction	5.8
Manufacturing	29.3
Transportation, Communication, and Public Utilities	5.9
Trade	21.3
Finance, Insurance, and Real Estate	5.1
Services	18.3
Government	12.6
Unclassified	0
Total	100.0

(a) not available

The unemployment rate in Fort Worth at the time of the survey was 5.4 percent, a rate matched only by Wichita. Yet, while Fort Worth and Wichita shared the same low unemployment rate, they had markedly different experiences in their relationships with their business communities.

As in most other prime sponsorships, economically disadvantaged persons, young people, individuals from minority groups, and persons with limited educational attainment were well represented among the CETA clients in the Fort Worth Title I programs. For instance, the proportion of minorities and disadvantaged persons in the programs was six to seven times their percentage in the overall population (see Table 50).

Table 50

Characteristics of Local Population and Title I
Clients, Fort Worth Prime Sponsor

<u>Characteristic</u>	<u>Percent of</u>		
	<u>Tarrant County Population, 1970</u>	<u>Title I Clients, 1976-1977</u>	<u>OJT Clients, 1976-1977</u>
Nonwhite	11.9%	68.3%	37.0%
Hispanic	6.0	16.5	-(a)
Under 21	40.5	43.1	20.0
Less than 4 years of High School	44.8	61.1	24.0
Economically Disadvantaged	10.3	74.7	53.0

(a) not available

Selectivity in recruiting enrollees for OJT, such as an emphasis on educational credentials, made for a smaller representation of individuals from disadvantaged and minority groups in this program than in the overall Title I. Minorities supply an illustration. They made up over two-thirds, 68 percent, of the Title I enrollees, but constituted only three-eighths, 37 percent, of the OJT clients.

The programs in Fort Worth concerned with preparation for regular employment placed a heavy emphasis on classroom training. However, a majority of the classroom training enrollees, 57 percent, were in activities other than job training, primarily in adult education programs (see Table 51).

Table 51

Distribution of Title I Enrollments, Fort Worth
Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Program</u>	<u>Percent of Title I Enrollments</u>
Classroom Training	52.0%
On-the-Job-Training	14.0
Work Experience	34.0
Public Service Employment	0
Other	0
Total	100.0

The City of Fort Worth managed the local CETA program for the entire prime sponsor area. The Consortium Policy Committee, composed of elected officials from each of the communities in the consortium, was established as the executive committee responsible for determining program priorities. Although representatives of the business sector made up a third of the membership of the Planning Council, the Council was dominated by State and local government agencies and community organizations which composed more than three-fifths of the membership.

The distinguishing feature of the Fort Worth CETA program was its limited relationship with the business community. The lack of stronger linkages stemmed, in part, from a distrust of "big government" and "big labor" in the local private sector. Fort Worth has held off from involvement in several federally funded social programs. In the past, the City had chosen not to participate in such programs as Model Cities or Urban Renewal. The local CETA officials defined their objectives primarily in terms of providing income and services to disadvantaged groups with little reference to the personnel needs of private employers. Economic development has traditionally been a private sector activity in Fort Worth, and attracting new firms to the area was regarded as largely a responsibility of the Chamber of Commerce. There was little in the way of a formal or informal relationship between the prime sponsor and the Chamber. The local Chamber of Commerce was unfavorably inclined toward participation in the CETA program, and its involvement in employment and training programs was limited to support for the National Alliance of Business summer program. Local officials and business leaders in Fort Worth did not view CETA as contributing to the human resources aspect of their development programs. The National Alliance of Business and

other employer representatives on the Planning Council were given the responsibility for identifying suitable occupational areas for training. But neither the NAB nor the Planning Council appeared to have a significant impact in overcoming the barriers of distrust and lack of communication which separated the prime sponsor from the local business community.

The Fort Worth prime sponsor very largely relied on the Texas Employment Commission, the State employment service, for job placement and OJT programs. The Commission was a powerful force in the State with many links to employers, and with extensive experience in federally funded training and placement programs before CETA. The local CETA program made effective use of the Employment Commission in placing classroom training enrollees. These were the kinds of placements, not involving any employer contact with the prime sponsor, which the Commission was generally successful in arranging for CETA clients or others.

The absence of a close working relationship with the business community affected the occupations in which CETA clients were placed and the types of organizations in which the placements were made. The placements following classroom training were similar to those in other prime sponsorships in their emphasis on clerical and blue collar, especially semi-skilled operatives, positions. These placements reflected the shortage of workers in local industry, the dependence on the Employment Commission by CETA, and the importance of manufacturing in the local economy. Placements following OJT in Fort Worth, on the other hand, were in a class by themselves among the nine prime sponsors. Slightly over half were in clerical occupations, and over a fourth were in jobs related to professional and technical work (see Table 52).

Table 52

Anticipated Annual Average Job Openings, 1970-1980, and Placements
of Classroom Training and OJT Enrollees, Fort Worth
Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Occupational Group</u>	<u>Percent Distribution of</u>		
	<u>Projected SMSA Job Openings 1970-1980</u>	<u>OJT</u>	<u>Placements From Classroom Training</u>
Professional and Technical	15.0%	25.6%	0
Management and Related	11.8	0	0
Sales	9.7	0	0
Clerical	26.8	51.1	46.3
Craft-Related	9.1	7.0	14.6
Operatives	10.8	0	29.3
Laborers, Nonfarm	2.6	7.0	0
Services	14.3	9.3	9.8
Farm	0	0	0
Total	100.0	100.0	100.0

The high percentage of placements in professional and technical positions included placements for CETA clients as costume designers, actors, musicians, or social worker aides. The emphasis on professional and clerical placements in Fort Worth partially reflects the high educational level of the OJT enrollees. It also grows out of the major role of government and nonprofit organizations in training and placing CETA OJT enrollees.

Lacking strong support from the business community, the Fort Worth prime sponsor turned to State and local government agencies and nonprofit organizations for its OJT programs and placements. Seven-eighths of the placements following OJT took place in these organizations. Fort Worth was unique among the nine prime sponsors in its heavy dependence on the not-for-profit

sector for placements following OJT. The classroom training placements, the ones usually arranged through the Employment Commission, were concentrated among private-for-profit employers (see Table 53).

Table 53

Placements Following OJT and Classroom Training, by Class of Employer,
Fort Worth Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Percent of Placements</u>	<u>OJT</u>	<u>Classroom Training</u>
in government agencies	46.5%	9.8%
in non-profit organizations	41.9	7.3
in large for-profit firms ^(a)	20.0	17.6

(a) in for-profit establishments employing 500 or more persons

The above average percentage of placements in large private firms reflects the small number of OJT placements in private-for-profit employers. It primarily comes about because of the participation of several large firms in the training programs. While the cooperation of government and nonprofit agencies created opportunities for training and placement, it also created problems for the Fort Worth local CETA program. For one, it reduced the incentives to establish strong linkages with the private sector. For another, it raised the cost of training OJT enrollees, since government agencies and nonprofit agencies participating in the program are reimbursed on a different and more generous basis than private-for-profit employers.

The Fort Worth experience illustrates that low unemployment rates, by themselves, do not assure employers' cooperation in local CETA programs. While the prime sponsorship appeared to be well-managed, there was little evidence that it had succeeded in conveying to employers that CETA was a source of labor to industry as well as a social program. The end result was a limited effort, especially in OJT, in a community in which many types of workers were in short supply.

New Haven

The New Haven prime sponsorship showed many signs of a successful local CETA program with considerable access to the business community. High unemployment rates and an absence of economic growth leading to the creation

of new jobs limited the ability of the prime sponsor to place enrollees in unsubsidized jobs in the private sector. Accordingly, New Haven was the local CETA program with the largest proportion of enrollees in work experience programs.

New Haven, like many older cities in the Northeast and Middle West, has been experiencing a steady erosion in manufacturing employment, its largest single source of jobs. While employment has increased in retail trade, services, and government in the 1970's, these increases have been insufficient to offset the decline in manufacturing employment (see Table 54).

Table 54

Distribution of Employment by Industry, New Haven SMSA, 1975

<u>Industry</u>	<u>Percent of Total Employment</u>
Agriculture and Mining	0.7%
Construction	3.6
Manufacturing	25.9
Transportation, Communication, and Public Utilities	8.2
Trade	20.3
Finance, Insurance, and Real Estate	5.0
Services	23.7
Government	12.6
Unclassified	0
Total	100.0

The decline in employment in manufacturing, unaccompanied by comparable increases in other industries, has given New Haven one of the two highest unemployment rates in the nine local areas surveyed. The unemployment rate at the time of the site visit was 9.5 percent, nearly two points higher than the national average.

The New Haven prime sponsorship represents a consortium made up of 13 separate political jurisdictions. New Haven is the principal city in the group, and half the population in the consortium area lives in the city. New Haven has been an active participant in the federally funded employment and training and urban renewal programs over the past decade and longer. Because of this history of involvement, the city possesses a cadre of experienced community-based organizations and local government staffs with experience tracing back to the anti-poverty programs of the 1960's and the precursors of CETA. The prime sponsorship is administered by the City of New Haven Manpower Administration, an agency with a staff of over one hundred persons. The relatively large staff has enabled the prime sponsor to provide many services to clients which are contracted out in most other prime sponsorships.

The New Haven consortium area included a large majority, 97 percent, of the SMSA population. In spite of the high unemployment rate in the area, the prime sponsor served a population with a somewhat smaller share of economically disadvantaged persons than was the case nationally. The local CETA programs aimed at preparing clients for regular jobs targeted their efforts on the groups with low incomes and labor market handicaps. Among the nine prime sponsorships, the New Haven program had the highest percentage of disadvantaged persons, and persons under 21 or with less than a full high school education (see Table 55).

Table 55

Characteristics of Local Population and Title I
Clients, New Haven Prime Sponsor

Characteristic	Percent of		
	New Haven SMSA Population, 1970	Title I Clients 1976-1977	OJT Clients, 1976-1977
Nonwhite	12.3%	59.8%	56.0%
Hispanic	1.9	17.6	-(a)
Under 22	36.9	57.8	23.0
Less than 4 years of High School	39.0	62.3	38.0
Economically Disadvantaged	9.8	88.8	80.0

(a) not available

The New Haven prime sponsor made a determined effort to include disadvantaged and minority group enrollees in OJT as well as in the other Title I programs. Accordingly, the percentage of minority enrollees in OJT, 56 percent, was very similar to their overall representation in the Title I programs, 60 percent. The educational requirements for OJT often had the side effect of sharply reducing the representation of minorities or disadvantaged persons in that program. It did not significantly reduce their representation in New Haven. But the program mix of the local CETA program included a lesser emphasis on skill training than was the case in any of the other prime sponsors (see Table 56).

Table 56

Distribution of Title I Enrollments, New Haven Prime
Sponsor, October 1, 1976 Through March 31, 1977

<u>Program</u>	<u>Percent of Title I Enrollments</u>
Classroom Training	21.9%
On-the-Job-Training	15.7
Work Experience	55.5
Public Service Employment	6.8
Other	0
Total	100.0

Over half the enrollees, 56 percent, were in work experience programs, conducted by government agencies or nonprofit organizations. Only three-eighths were in OJT or classroom training, the two programs most closely associated with skill training. This compares with an average enrollment of slightly more than two-thirds in the nine prime sponsorships. New Haven was also the one prime sponsor among the nine in which public service employment was an important aspect of the programs intended to lead to unsubsidized employment.

The New Haven prime sponsor possessed formal linkages with the private sector, including relationships with the Chamber of Commerce and indirectly with the National Alliance of Business. The Planning Council was unimportant as a source of these linkages.

Representatives of the business community made up a small minority in the Council, 2 out of 16 members. Business organizations were more closely related to the local CETA program through job and OJT development activities. The Chamber, for example, at the time nominally administered the National Alliance of Business office in the city. The NAB marketed to employers, and turned over likely prospects for OJT programs to the Chamber. The Chamber's operational activities were carried out by employment service staff. The trade unions, the employment service, community organizations, and the CETA staff itself were also involved in job development and arrangement of OJT programs. In the case of the unions, the prime sponsor had entered into a contract with locals in the machine tool trades to train middle-age workers. Local unions were also participants in the New Haven Skill Training Improvement Program (STIP). However, the scope of this cooperation was limited because of the extensive unemployment among union members. Aside from these relationships with business and non-business groups, the prime sponsor was also informally involved in State and city economic development activities. However, economic development in New Haven, as in many other Northeastern cities, primarily emphasized the retention of existing firms. This kind of development was likely to create few new jobs which could be filled by CETA clients.

The array of job development organizations under contract with the prime sponsor in New Haven were seldom held to performance standards. The local CETA staff believed it would be difficult to define meaningful standards and invoke penalties for nonperformance in an environment in which the services offered by different organizations were dissimilar, since their clients often required different kinds of services. The staff preferred to work out problems involving performance through individual negotiations rather than by the application of general rules and performance criteria.

The concentration areas in placements in New Haven were represented by blue collar positions for the OJT clients and clerical and service jobs for the classroom trainees. The concentrations for classroom trainees reflected the expected growth areas in the local economy. The blue collar placements for the OJT clients frequently stemmed from an effort to link training with the personnel needs of local industry (see Table 57).

Table 57

Anticipated Annual Average Job Openings, 1970-1980, and Placements
of Classroom Training and OJT Enrollees, New Haven
Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Occupational Group</u>	<u>Percent Distribution of</u>		
	<u>Projected SMSA Job Openings 1970-1980</u>	<u>OJT</u>	<u>Placements From Classroom Training</u>
Professional and Technical	19.3%	0	0
Management and Related	10.9	4.8	0
Sales	8.5	0	0
Clerical	30.7	21.4	41.6
Craft-Related	5.1	16.7	11.1
Operatives	9.0	40.4	16.7
Laborers, Nonfarm	1.4	4.8	0
Services	15.1	11.9	27.8
Farm	0	0	0
Unclassified	0	0	2.8
Total	100.0	100.0	100.0

Close to three-fifths of the OJT placements were in craft-related or operatives positions. This was four times the percentage of the anticipated total job openings in the 1970's represented by the two occupational fields in the New Haven SMSA. The largest nongovernmental employer in New Haven is the Yale University complex, including the hospital attached to the medical school. The presence of this complex helps to explain the high proportion of placements for classroom trainees in service occupations. It also contributed to the substantial placements of the classroom training enrollees in non-profit organizations. (see Table 58).

Table 58

Placements Following OJT and Classroom Training, by Class of Employer,
New Haven Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Percent of Placements</u>	<u>OJT</u>	<u>Classroom Training</u>
in government agencies	7.1%	13.3%
in non-profit organizations	7.2	19.1
in large for-profit firms ^(a)	8.3	8.0

(a) in for-profit establishments employing 500 or more persons

The linkages which frequently have made for successful involvements of private employers in local CETA programs already exist, at least nominally, in New Haven. The program has received support from the business community and the political leadership. The prime sponsor enjoys a close working relationship with the employment service and community organizations. Realizing the potentials for a strong CETA program oriented toward the private sector is likely to involve activating formal relationships with business, perhaps by an economic development program creating new jobs, a decline in the unemployment rate, and an expansion in the range of skills in which training is offered.

Passaic

The Passaic prime sponsor illustrates the experience of a local CETA program in a depressed Northeastern urban area with minimal linkages to the business community. The prime sponsor's problems in placing CETA clients have been compounded by a high unemployment rate and an absence of adequate public transportation linking the jobs available in one part of the area with the disadvantaged and unemployed persons who are concentrated in other parts of the area.

Manufacturing is the largest source of jobs in the Passaic SMSA. A larger percentage of the work force were employed in manufacturing in Passaic than in any of the other prime sponsor areas surveyed. The Passaic economy has been characterized by a loss of manufacturing jobs which has not been offset by gains in other industries (see Table 59).

Table 59

Distribution of Employment by Industry, Passaic County, 1976

<u>Industry</u>	<u>Percent of Total Employment</u>
Agriculture and Mining	(a)
Construction	2.4
Manufacturing	37.9
Transportation, Communication, and Public Utilities	3.3
Trade	24.2
Finance, Insurance, and Real Estate	4.7
Services	15.2
Government	12.3
Unclassified	0
Total	100.0

(a) less than 0.5 percent

Plant closings and relocations have been eroding the local economy's base for several decades. The unemployment rate in the area at the time of the survey was 10.2 percent. This was the highest rate in any of the nine prime sponsor areas, and it compared with an economywide rate of 7.6 percent in the same period.

The prime sponsorship covers the Paterson-Passaic-Clifton SMSA, excluding the city of Paterson. The area embraced by the prime sponsor includes about 70 percent of an SMSA population of about 325,000. In spite of the industrial decline, the population in the area has grown rapidly in the post-World War II period, rising by over 50 percent since 1950. The population growth has been largely attributable to an outflow from New York City. It accounts for much of the growth in jobs in service industries and occupations in Passaic County.

The Passaic prime sponsorship was established by the county governing body, the Board of Chosen Freeholders. It was set up with a minimum of involvement from community and target population groups. The Passaic Department of Employment and Training administers the CETA programs concerned with preparation for unsubsidized employment.

The major concentrations of economically disadvantaged persons in the county live in Paterson, a city which is an independent prime sponsor. Reflecting the population concentrations, the targeting on disadvantaged persons in the CETA program was less marked than in most of the nine prime sponsorships (see Table 60).

Table 60

Characteristics of Local Population and Title I
Clients, Passaic Prime Sponsor

<u>Characteristic</u>	<u>Percent of</u>		
	<u>Passaic County Population, 1970</u>	<u>Title I Clients, 1976-1977</u>	<u>OJT Clients, 1976-1977</u>
Minorities	11.7%	24.0%	16.0%
Hispanic	4.3	12.2	(a)
Under 21	36.4	44.7	25.0
Less than 4 years of High School	42.2	32.7	23.0
Economically Disadvantaged	9.3	69.8	49.0
(a) not available			

The comparison of the Title I clients with the area population is limited since the population figures include Paterson, although Paterson was a separate prime sponsorship. Including Paterson, the area had a relatively low percentage of economically disadvantaged persons. This fact was reflected in the makeup of the Title I enrollees. The tendency toward a lesser concentration on persons with labor market handicaps was especially evident in the on-the-job training programs. The proportion of minorities or of economically disadvantaged persons in the OJT population was the lowest among the nine prime sponsors. Fewer than half the OJT clients, 49 percent, were economically disadvantaged as compared with an average of 75 percent in the other eight prime sponsorships.

In spite of the high unemployment rate, the Passaic prime sponsor has attempted to give a priority to skill training. About seven-tenths of the Title I enrollees were in classroom training or OJT programs. The classroom training was largely training in job skills and only about a seventh of the classroom enrollees were in other types of training (see Table 61).

Table 61

Distribution of Title I Enrollments, Passaic
Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Program</u>	<u>Percent of Title I Enrollments</u>
Classroom Training	56.5%
On-the-Job-Training	13.4
Work Experience	30.1
Public Service Employment	0
Other	0
Total	100.0

The emphasis on job-oriented training was unaccompanied by strong linkages with the local employers who might hire the graduates of the programs. For instance, at the time of the survey the Passaic County Manpower Advisory Council consisted of twenty members. Two were drawn from the business community. The State of New Jersey, Passaic County, and the City of Passaic have all established economic development agencies. While the prime sponsor had informal contacts with the City agency, the local CETA was not a participant in the development programs. The absence of more formal participation partially stemmed from the inactivity of the development programs. Among local government officials, one member of the Board of Freeholders actively promoted the CETA program among employers. The local Chamber of Commerce also publicized the CETA program in its monthly bulletin. The Chamber was not further involved in marketing the CETA program generally, or OJT specifically, among local employers. The absence of a NAB office in the area foreclosed an alternative channel to the business community.

Job placement activities were compounded by an absence of adequate public transportation. The bulk of the unemployed persons in the prime sponsor's area were located in the "down country". Only one-third of the county's manufacturing and industrial employment is in the same area. The

county is covered by a network of modern interstate highways but public transportation is minimal. Absence of an adequate public transportation system has been a significant problem for many CETA clients seeking jobs in the area.

Job placement activities and arrangements for OJT contracts were closely controlled by the Passaic prime sponsor. The employment service was the one non-CETA organization under contract to place CETA clients and arrange for OJT programs. The employment service representatives involved in marketing OJT programs attempted to minimize paper work for employers by aiding them in record keeping and in obtaining prompt payment for OJT reimbursements. In addition to the employment service, the CETA staff was itself involved in placement.

The placements of the classroom training and OJT clients in Passaic were concentrated in clerical occupations. Passaic was also distinguished by the substantial placements of OJT enrollees in professional and technical fields (see Table 62).

Table 62

Anticipated Annual Average Job Openings, 1975-1980, and Placements
of Classroom Training and OJT Enrollees, Passaic Prime Sponsor,
October 1, 1976 through March 31, 1977

<u>Occupational Group</u>	<u>Percent Distribution of</u>		
	<u>Projected SMSA Job Openings 1975-1980</u>	<u>OJT</u>	<u>Placements From Classroom Training</u>
Professional and Technical	18.2%	14.3%	2.4%
Management and Related	8.6	0	0
Sales	10.0	2.4	2.4
Clerical	28.2	31.0	51.3
Craft-Related	6.5	9.5	7.3
Operatives	11.2	19.0	24.4
Laborers, Nonfarm	1.5	7.1	0
Services	15.9	16.7	12.2
Farm	0	0	0
Total	100.0	100.0	100.0

The heavy emphasis on placements in clerical jobs reflects the rapid growth in job openings in this field in the area. The professional and technical placements for CETA clients included positions as dieticians, drafters, and employment interviewers. While only about an eighth of the job openings in the 1975 to 1980 period were expected to represent openings for operatives or laborers, about a fourth of the CETA OJT and classroom training enrollees who were placed found jobs in these fields.

The absence of business groups acting as intermediaries in arranging OJT programs in Passaic was a factor in the large percentage of placements following OJT outside the private-for-profit sector. The lack of these linkages also contributed to the concentration of placements in smaller firms.

Passaic was the one prime sponsor among the nine in which all of the classroom training and OJT placements took place in establishments with fewer than 500 employees (see Table 63).

Table 63

Placements Following OJT and Classroom Training, by Class of Employer,
Passaic Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Percent of Placements</u>	<u>OJT</u>	<u>Classroom Training</u>
in government agencies	19.0%	7.3%
in non-profit organizations	16.7	4.9
in large for-profit firms ^(a)	0	0

(a) in for-profit establishments employing 500 or more persons

The findings about Passaic, like the other findings, reflect the experience at the time of the survey, in 1976 and 1977. More recently, a new CETA director has been appointed in Passaic with a background in industrial relations and a marked interest in obtaining the cooperation of local employers. The Passaic prime sponsor, for example, has become involved in the Paterson economic development agency. While the city of Paterson is outside the Passaic prime sponsor's area for drawing clients, the prime sponsor is not similarly confined in making placements. As one result of this involvement, 14 CETA clients have been placed in OJT programs in one of Paterson's large employers. These developments indicate potential for substantially greater private sector participation in the Passaic CETA program than has been achieved in the past.

Sacramento

The Sacramento prime sponsor represents a local CETA program in a State capital and service center for a surrounding area. While there was limited private sector involvement in the Sacramento program, the prime sponsor has shown considerable success in targeting on disadvantaged clients and placing them in jobs with government agencies or private employers.

The Sacramento area is characterized by a low level of employment in goods-producing industries. The percentage of the total employment in government, for example, was more than double the percentage in manufacturing. A larger share of the work force was employed in service industries

in the Sacramento SMSA than in any of the other areas in the group surveyed (see Table 64).

Table 64

Distribution of Employment by Industry, Sacramento SMSA, 1975

<u>Industry</u>	<u>Percent of Total Employment</u>
Agriculture and Mining	3.4%
Construction	5.5
Manufacturing	7.5
Transportation, Communication, and Public Utilities	6.8
Trade	22.0
Finance, Insurance, and Real Estate	4.3
Services	33.0
Government	17.5
Unclassified	0
Total	100.0

Although Sacramento is a white collar and service area in its industrial and occupational structure, the local population includes a greater percentage of economically disadvantaged persons than industrial centers such as Milwaukee or Fort Worth. In addition, the unemployment rate in the Sacramento SMSA, 8.8 percent, was substantially higher than the national average. As in other areas, the unemployment was most pronounced among young people and minority group members.

The Sacramento prime sponsorship is a consortium made up of three political jurisdictions. They are the City of Sacramento, and Sacramento and Yolo counties. Nine-tenths of the SMSA population lives in the prime sponsor's area. Sacramento City and County had participated in the federally funded

employment and training programs before the establishment of CETA. With the introduction of CETA, the special financial incentives offered by the Federal Government to local groups joining in a consortium led to this kind of arrangement. Under the consortium agreement, Yolo County, a more predominantly rural area, was awarded a fixed percentage of the total Federal grant and control of its programs.

The programs intended to prepare CETA clients for regular jobs in Sacramento were targeted on the large economically disadvantaged population in the area. They included a sizeable representation of persons from a minority or Hispanic background (see Table 65).

Table 65

Characteristics of Local Population and Title I
Clients, Sacramento Prime Sponsor

<u>Characteristic</u>	<u>Percent of</u>		
	<u>Sacramento SMSA, Population, 1970</u>	<u>Title I Clients, 1976-1977</u>	<u>OJT Clients, 1976-1977</u>
Minority	9.7%	30.5%	35.9%
Hispanic	10.1	22.0	-(a)
Under	40.8	45.6	22.3
Less than 4 years of High School	31.8	37.3	14.7
Economically Disadvantaged	11.2	83.8	87.8

(a) not available

The focus on disadvantaged and minority groups was especially evident in OJT. Sacramento was one of the few prime sponsors among the nine in which minorities and economically disadvantaged persons were better represented in on-the-job training programs than in the overall Title I. Concentration on these groups went hand-in-hand with an insistence on educational credentials for admission to OJT.

The programs operated by the consortium under the umbrella of the then Title I included a primary emphasis on skill training and employability development. The classroom training was heavily focussed on job skill training.

About three-fifths of the enrollees in the Title I program were in classroom or on-the-job training (see Table 66).

Table 66

Distribution of Title I Enrollments, Sacramento
Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Program</u>	<u>Percent of Title I Enrollments</u>
Classroom Training	37.2%
On-the-Job-Training	21.7
Work Experience	40.6
Public Service Employment	0.5
Other	0
Total	100.0

The programs in Sacramento were under the guidance of a planning council largely dominated by State and local government agencies. Only two of the 18 council members were affiliated with the business sector while half were drawn from government agencies. The weak private sector representation on the council made it more difficult for the prime sponsor to establish active relationships with the local business community.

The Sacramento prime sponsor was unique in the extent to which it depended on community organizations to perform services including job placement and OJT program development. In the summer of 1977 these services were provided by 21 community organizations under contract with the local CETA program. The California Employment Development Department, the State employment service, did not participate in placing CETA clients or in arranging OJT programs. Many of the community organizations served a specific target group such as former drug addicts, or an individual ethnic group, i.e., Filipino-Americans. There has been an attempt since to reduce the number of these organizations in order to ease administrative problems and to reduce the number of agencies competing for what are basically the same job openings. The local political support frequently enjoyed by the community organizations has made the task of reducing the agencies supplying services to CETA a difficult one.

The organized business community in Sacramento has been relatively inactive in supporting the CETA program. The National Alliance of Business had declined to participate in a job development contract, and the Chamber of Commerce has also decided to remain on the sidelines. The Chamber's "wait and see" posture has reflected a concern with the prime sponsor's management problems. The reluctance of the National Alliance of Business to participate in developing OJT programs grew out of the long-standing link of the NAB with the California Employment Development Department, an organization then outside the CETA program. Steps were under way at the time of the site visits to revive cooperation between the prime sponsor, the Employment Development Department, and the local NAB.

The Sacramento CETA program managed to place numbers of classroom training and OJT clients in jobs in the absence of large-scale support from the private sector. Placements were concentrated in a narrow range of occupations. For instance, five-eighths of the classroom training placements were in clerical occupations (see Table 67).

Table 67

Anticipated Annual Average Job Openings, 1975-1980, and Placements
of Classroom Training and OJT Enrollees, Sacramento
Prime Sponsor, October 1, 1976 through March 31, 1977

Occupational Group	Percent Distribution of		
	Projected SMSA Job Openings 1975-1985	OJT	Placements From Classroom Training
Professional and Technical	17.3%	0	2.0%
Management and Related	10.2	6.0	1.0
Sales	9.6	10.0	1.0
Clerical	30.2	25.0	62.0
Craft-Related	7.1	26.0	2.0
Operatives	5.5	16.0	8.0
Laborers, Nonfarm	2.0	3.0	3.0
Services	16.9	14.0	19.0
Farm	1.2	0	2.0
Total	100.0	100.0	100.0

Although Sacramento is the service center for a surrounding area, there was an absence of placements in service jobs comparable to the concentration in clerical occupations. The heavy emphasis on clerical jobs reflected the importance of classroom training placements outside the private-for-profit sector, primarily in State and local government agencies. About half of the placements following classroom training were in these organizations (see Table 68).

Table 68

Placements Following OJT and Classroom Training, by Class of Employer,
Sacramento Prime Sponsor, October 1, 1976 through March 31, 1977

<u>Percent of Placements</u>	<u>OJT</u>	<u>Classroom Training</u>
in government agencies	13.1%	40.9%
in non-profit organization	6.6	10.3
in large for-profit firms (a)	16.4	15.0

(a) in for-profit establishments employing 500 or more persons

While government agencies are a major employer in the Sacramento area, the proportion of placements of classroom trainees in government agencies was more than double the percentage of total employment in the SMSA represented by employment in government. Placements following on-the-job training paralleled the experience of most other prime sponsors. Four-fifths of these placements were in for-profit firms. As in most of the nine prime sponsorships, craft-related and operatives occupations were more substantially represented in the placements following OJT than they were in the projected job openings in the area.

The Sacramento CETA program could build on the results already achieved by expanding the number of private employers it deals with and the occupations in which its clients are trained and placed. Growth along these lines would mean a lesser dependence on State and local government agencies in placements, and a stronger role for the business community in the planning council. More active linkages with business groups such as the Chamber of Commerce or the local National Alliance of Business could contribute significantly in Sacramento to attracting greater support from individual private employers.

Placements in For-Profit Firms as an Indicator
of Successful Linkages With the Business Community

The distinguishing feature of the five prime sponsorships summarized in this chapter, as compared with the four considered earlier, was their more

limited access to their business communities. The lesser support of the local CETA program by private employers in these five prime sponsorships shows up in the smaller percentage of their placements following classroom training and OJT which took place in private-for-profit firms and the larger percentage in government agencies or in non-profit organizations such as hospitals. Each of the prime sponsors in the group with the stronger linkages with employers had a smaller percentage of their placements outside the private-for-profit sector than all of the other five prime sponsors with the lesser access (see Table 69).

Table 69

Percentage of Placements Following OJT and Classroom Training in Government Agencies and Non-profit Organizations, Nine Prime Sponsors, October 1, 1976 through March 31, 1977

<u>Prime Sponsor</u>	<u>Percent of OJT and Classroom Training Placements in Government Agencies or Non-profit Organizations</u>
Group A	
South Carolina	7%
Milwaukee	8
Cincinnati	17
Wichita	20
Average, Group A	13
Group B	
New Haven	22
Albuquerque	24
Passaic	24
Sacramento	35
Fort Worth	54
Average, Group B	32

About one-eighth of the classroom training and OJT placements in the prime sponsorship with the stronger linkages with the private sector were in government agencies, usually State and local government agencies, or in non-profit organizations. About one-third of the comparable placements in the prime sponsorships with the less strong linkages were in these organizations.

The prime sponsors who lack a strong relationship with their business communities had become dependent on the public and not-for-profit sector for a significant percentage of their placements in the skill training programs intended to lead to regular jobs in the mainstream of the economy.

Factors Subject to Change

The case studies show that the strategies chosen by prime sponsors can make a significant difference in the prospects for attracting private employers to participate in local CETA programs. These experiences suggest a series of changes in policies and practices intended to increase employers' involvement in hiring or training disadvantaged persons. Many of the changes considered reflect strategies utilized by some prime sponsors which can be replicated by others. The research also indicates potentials for enlisting greater private sector support by changes in national economic policy or in Department of Labor Regulations.

Many of the measures which appear desirable in the light of the site visits have been addressed by changes in Department of Labor policies, while others have received consideration in the 1978 CETA Reauthorization Legislation. The Skill Training Improvement Program (STIP), and the recent establishment of the Private Industry Councils in many areas represent instances. In addition, the Targeted Jobs Tax Credit legislation enacted in 1978 introduces a new role for CETA in offering incentives to employers to hire disadvantaged persons.

Many factors affect the extent to which prime sponsors are successful in involving private employers in their programs. Some are more amenable to change than others. The multiplicity of forces influencing the business community's participation can be reduced to four groups of factors. They are:

1. the community socio-economic environment
2. CETA enrollee characteristics
3. prime sponsor-employer linkages
4. prime sponsors' organization and program orientation

Prime sponsors are unable to influence community characteristics, such as the industrial and occupational make up of the local economy or the demographic characteristics of the population. The CETA program can have some influence in reducing the local unemployment rate by training persons who would otherwise be unemployed and enabling them to fill jobs in demand or, in areas characterized by above-average unemployment levels, by providing unemployed persons with temporary public service unemployment. However, changes in the unemployment rate over time, or differences in the rates in different areas, are more fundamentally influenced by regional economic growth patterns, and by economywide changes in economic activity as they are affected by cyclical

fluctuations, the Federal Government's fiscal and monetary policies, or by shifts in international economic relationships.

Prime sponsors similarly have a limited influence on the characteristics of the enrollees in the CETA programs expected to lead to unsubsidized employment. The age, race, sex, or educational status of the CETA clients reflect the legislation and guidelines specifying the target groups for the programs, and the community's demographic make up. Prime sponsors can make their clients more attractive to employers, and thereby increase their employability, by offering remedial programs to change some characteristics which may bar enrollees from most jobs, such as basic English in the case of educational deficiencies. The current emphasis on CETA stresses its role as a program very largely intended for economically disadvantaged persons. This makes it more difficult for prime sponsors to appeal to employers by "creaming", that is, obtaining placements by supplying firms with persons with a minimum of employability handicaps.

The two areas in which prime sponsors have the major options in introducing changes to attract employers are in their organization and programs including their linkages with employers. Prime sponsors, for instance, can increase or decrease the representation of the business community on the Planning Council, or the range of occupations in which training is offered, or the role of the employment service and community-based organizations as deliverers of services in the local CETA program. They can seek out organizations such as the Chamber of Commerce as job placement or OJT program developers, or they can offer more innovative training programs as an incentive to employers. CETA staffs can seek greater access to employers by becoming participants in economic development programs, or by sustained advertising and public relations efforts addressed to employers. These changes in program orientation and linkages with the business community make up the strategic factors providing prime sponsors with options in attempting to attract employers to their programs. The scope of the options, in turn, is significantly influenced by the CETA legislation, Department of Labor guidelines, and by national economic policy.

Employers' Recommendations for Increasing Business Involvement

Changes in strategies to attract employers to become participants in CETA programs are more likely to succeed if they take into account the preferences and recommendations of the employers who make up the audience for the strategies. The employer interviews suggest that tax incentives have greater appeal to employers, and especially to large employers, than alternative subsidy arrangements such as wage subsidies currently offered as reimbursement for the additional costs involved in training.

The employers' recommendations come out clearly in considering on-the-job training since this is the program typically involving the maximum participation by employers. However, similar preferences are likely to be relevant in less highly structured programs involving private employers. The recommendations of the employers who were interviewed in the field surveys are summarized in the table that follows. They include the responses both of employers with and without a current involvement in an OJT contract (see Table 70).

Table 70

Employers' Recommendations for Increasing the Participation of Business Firms in OJT Programs, Nine Prime Sponsor Areas, 1977

<u>Recommendation</u>	<u>Number of Responses from</u>		
	<u>All Employers</u>	<u>Large Employers</u>	<u>Small Employers</u>
Greater Tax Incentives	20	12	8
Increased Wage Subsidies	13	3	10
Improved CETA Understanding of Business	15	7	8
Simplified Record Keeping	14	7	7
Improved CETA Trainee Screening	7	2	5
More Provisions for Upgrading	5	1	4
All Other	6	2	4
Total	80	34	46

The recommendation most frequently voiced by employers was for a greater reliance on tax incentives as the inducement to employers. The two other recommendations with the largest number of responses were the need for an improved understanding by the CETA staff of the importance of business needs to increase productivity and minimize costs, and the need for simplified record keeping. The smaller employers were more concerned with the need to screen CETA trainees more effectively before referring them to employers, and, again, the small employers were the ones primarily interested in expanding the range of skills in which CETA enrollees were trained. The financial incentive to participation, whether tax incentives or greater wage subsidies, was the major area in which there were significant differences between the recommendations of large and small employers. Large employers

avored greater tax incentives by a substantial margin. A majority of the smaller employers preferred the present wage subsidy system but with larger subsidies.

The impact of the financial incentives, whether in the form of tax credits or wage subsidies, has been to make employers willing to take greater risks in hiring persons who may frequently initially be low productivity employees because the incentive payment reduces the net cost of hiring them. Small firms typically prefer the present type of wage subsidy reimbursement because it adds to what has frequently been a limited cash flow, and the training has usually been on a one-to-one basis eliminating the need for a special training facility. Large firms have looked less favorably on the wage subsidy for a variety of reasons. Involvement in the OJT programs may require setting up a new training facility, adding to the training staff, or changing the prevailing system of training and supervision. The large employers interviewed felt that the incentive effect of the cost reimbursement subsidies were more than offset by the complex contractual, record keeping, and auditing procedures that typically went along with an OJT arrangement. The presumed advantage of the tax credits was that they were part of the regular tax process, and they required less additional paper work on the part of employers. In addition, many large firms expressed a preference for dealing with the IRS rather than with Department of Labor officials who were associated in their minds with OSHA and affirmative action program compliance procedures.

Experience in the recent past with the use of tax credits to induce firms to hire disadvantaged persons suggests that the credits have had a limited impact on employers' hiring policy. The WIN program tax credits aimed at encouraging employers to hire persons who had been receiving public assistance constitutes an important instance. From fiscal year 1973 through fiscal 1975 over half a million WIN program enrollees entered employment, bringing with them a potential tax credit for their employers. However, only about 15 percent of them were reported by the employers on their tax return in order to receive the WIN tax credit.^{2/} Similarly, the Jobs Tax Credit legislation enacted in 1977 has been widely regarded as ineffective. The lack of a significant impact has been partially attributed to a limit of \$100,000 in tax credits per firm, a provision which would make this incentive generally unattractive to larger companies.

The Targeted Jobs Tax Credit legislation adopted in 1978 represents a new departure which should prove more attractive to employers than its forerunners. Unlike the 1977 Jobs Tax Credit, this measure focuses on the structurally unemployed. Employers who hire persons who are members of any of seven designated target groups of disadvantaged or handicapped persons are eligible to receive the credits. The credits amount to 50 percent of the worker's wages up to a ceiling of \$6,000 in the first year, and to 25 percent of this wage in the second year. To receive the credit, the employer must

^{2/} See Hamermesh, Daniel, "Subsidies for Jobs in the Private Sector," in Palmer, John ed., Creating Jobs: Public Employment Programs and Wage Subsidies, Brookings Institution, 1978, pp. 95-96.

hire a person who has been certified by the appropriate government agency as a member of one of the target groups. The disadvantaged persons who make up the CETA clients in the programs intended to prepare enrollees for regular jobs would generally be eligible for the tax credits.

The targeted tax credits could lead to an increase in employment in the firms making use of them or to the substitution of certified disadvantaged persons for others in filling job openings. In some cases, the tax incentive may lead to an increase in employment because it encourages employers to hire more entry level workers with limited skills. A construction firm receiving the tax credit, for example, could be expected to increase the ratio of carpenter helpers to carpenters in hiring, since the cost of hiring the helpers is offset to a considerable extent by the credit. Or, a ladies dress factory in New York may expand its production and employment because the credit makes it feasible for the firm to compete with lower wage establishments in Korea or Taiwan. In other instances, the firm's total employment would be unaffected by the credit. The tax credit would shift the incidence of who was hired, and, in effect, it would "buy a job" for a number of disadvantaged individuals who would otherwise remain unemployed. The assumption in these cases is that, by the time the subsidy ran out the employee's productivity would have been increased sufficiently so that the employer would retain the individual without a subsidy, or the person who had been subsidized could find employment elsewhere.

It will take several years before the impact of the new tax credits can be adequately assessed. The Department of Labor estimates that close to 100,000 persons will be hired next year under the new Tax Credit program. ^{6/} The targeted tax credits suggest a new and potentially important role for local prime sponsors. They are one of the agencies selected to certify persons as candidates for tax credits available to the employers who hire them.

Greater use of the tax credits would ease, but not eliminate, many of the problems connected with the need to simplify record keeping in order to receive an incentive payment for hiring disadvantaged persons. It would still be necessary to ascertain that the candidates hired were properly certified, and that the payroll records supported the income tax claims for credits. However, these procedures would involve considerably less record keeping than in an OJT contract, and they would minimize the need for employers to become closely involved with the CETA or supporting agency staff.

Implications for Changes in National Policy

The Federal Government's primary responsibility in encouraging private employers to hire more disadvantaged persons from CETA or other sources is

^{6/} ETA Interchange, February 1979, Vol. V. No. 2, P. 1.

to create an economic environment which favors economic growth and restrains inflation. There are several more specific steps the Federal Government can undertake, in addition to publicizing the targeted tax credits, to increase employment prospects for persons whose labor market handicaps often make it likely that they will be bypassed by economic growth. They are:

1. The Federal Government, through the Department of Labor, should establish an early warning system to supply information to prime sponsors six months or more in advance about the new job openings likely to be created in local communities because of large Federal procurement awards.
2. The Federal Government should require public bodies seeking grants or guaranteed loans for economic or community development programs to indicate in their proposals their plans to hire disadvantaged persons in their program, including their expected relationship with the local prime sponsor.

Through its procurement the Federal Government frequently creates substantial numbers of job openings in local areas which could be filled by CETA clients or other disadvantaged persons. Albuquerque provides an illustration of the potential importance of an early warning system. The Sandia Laboratory is the largest private employer in the state of New Mexico. It is a federally funded R & D center outside of Albuquerque engaged in energy-related research. Some 7,000 persons were employed at the Sandia Laboratory at the time of the site visits. Sandia frequently has job openings for technicians and skilled blue collar workers. The local CETA has seldom been in a position to fill these openings. Either their enrollees do not possess the skills required, or the prime sponsor did not have sufficient advance knowledge of when and in which occupations the vacancies would occur to train clients for them.

Six months or longer typically elapses between the time a large Federal contract is awarded and the time full-scale production begins. If prime sponsors were given an equivalent advance notice of the contracts which had been awarded in their area, and for what kinds of workers, they could make use of the lead time to contact the employers and arrange to train CETA enrollees to fill some of the openings. At present, this information is unavailable on other than an occasional and ad hoc basis. Establishing an early warning system to systematically monitor the award of large Federal contracts would make it possible to supply useful information to prime sponsors, Private Industry Councils, employment services, and to CETA enrollees.

The Federal Government provides grants-in-aid or loan guarantees to State and local governments and other public bodies for economic development programs, mass transit, highway construction and maintenance, housing, or for environmental facilities such as sewage treatment plants. Constructing and maintaining these facilities often involves a sizeable number of jobs. Many of

these jobs could be filled by CETA enrollees who had received the appropriate training. Notifying prime sponsors in advance of the availability of these jobs would increase the likelihood of placing CETA clients in them. The agencies receiving the grants would be more interested in hiring CETA enrollees if they were asked to indicate in their proposals what their plans were, if the grant were approved, to involve the local prime sponsor in training personnel to fill jobs in the new facility. These positions frequently occur in construction occupations. Unions and management in the construction industry have often been seeking to train and place more disadvantaged nonwhite or female workers as part of their affirmation action programs.

Implications for Changes in Department of Labor Policy

The Comprehensive Employment and Training Act provides for a decentralized program, and the decentralization is greatest in the areas in which prime sponsors seek to attract private sector support. The Department of Labor, however, can influence prime sponsors through the guidelines and regulations it issues, its reporting and planning requirements, and the technical assistance the Department makes available to prime sponsors. The case studies suggest a number of ways in which the Department of Labor can make changes in its influence to increase the effectiveness of the local CETA programs. They are:

1. The Department of Labor should develop model OJT contracts intended to minimize reporting requirements by employers and the length and complexity of the contracts.
2. The annual plan submitted by prime sponsors should include a separate component indicating the activities to be undertaken during the coming year and the results achieved in the past year in attracting private employers' participation in placement, planning, and training in the local CETA program.
3. The budget in the annual plan should include a public relations and advertising component including a special financial allotment to increase the visibility of the CETA program in the local business community.
4. The guidelines should indicate that the employer representatives on the Planning Council or Private Industry Councils were to be persons concerned with personnel policy in their firm or community.
5. The Department of Labor should increase the effectiveness of the Federal representatives' role by reducing turnover and emphasizing their role as providers of technical assistance to prime sponsors.

6. The Department of Labor should encourage prime sponsors to innovate in training and placement activities, and to coordinate their efforts with those of the State Employment Services.

One of the most frequently voiced criticisms of the CETA OJT arrangements by employers concerns the complexity of the contracts and the burden of the reporting requirements. It would be a relatively simple matter for the Department of Labor to create a short, model OJT contract which minimized the reporting and record keeping. While no prime sponsor would be required to make use of the model, its availability should encourage prime sponsors to frame their own contracts along similar lines.

The prime sponsor's present reporting requirements to the Department of Labor are based on quarterly reports organized around legislative categories, primarily the different titles in the CETA legislation. The reports are intended to meet administrative requirements in accounting for the numbers of enrollees served and expenditures incurred in serving them. They are less well suited to show the success of the CETA program in attracting employers or in placing clients in regular jobs in the private sector.

In the past, the legislative titles concerned with placements in unsubsidized employment did not differentiate between placements in the private sector and those taking place in State and local government agencies or non-profit organizations. The data in the reports referred to total enrollments and placements in all of the activities included under the same legislative title. The activities lumped together under Title I included a variety of programs such as work experience, classroom training, on-the-job training, and, occasionally, public service employment. These programs differ markedly in the extent to which they represent skill training and employability development, or the extent to which they lead to placements in private employment. The Department of Labor, accordingly, has not possessed a continuous reporting system focussing on its activities as they affect the private sector.

The annual plan submitted by prime sponsors to the Department of Labor can provide an adequate source for information summarizing the relationship of local CETA programs to the business community. The plan should indicate placements in unsubsidized employment by class of employer, placements in private-for-profit firms for individual programs such as OJT, makeup of the council membership, and linkages with the local business community. A separate chapter in the report could regularly be addressed to the prime sponsors' activities involving the private sector with an assessment of plans for the next year in the light of the experience of the past year.

Prime sponsors are often reluctant to spend funds for public relations or advertising since these expenditures may be regarded as a diversion of funds intended for the services offered enrollees. Yet the low visibility of the CETA employability development programs among employers has been a major barrier in attracting greater private sector participation. Specific mention in the guidelines of the need for budgeting for advertising and public relations addressed to the business community would extend a legitimacy to these activities which is often lacking among prime sponsors. The Department

of Labor has made its interest in a greater public relations effort known to prime sponsors without specifically focussing on reaching private employers.

The employer representatives on the planning councils and similar bodies in the nine prime sponsorships were frequently company public affairs officials with little influence on, or knowledge of, employment and training problems in their firm or community. The Department of Labor could strengthen the role of the employer representatives by indicating in the guidelines that they should be selected from among the individuals concerned with personnel policy decisions in their firm or community.

The Federal representatives are the contact persons between the Department of Labor's Employment and Training Administration and the prime sponsors. In the prime sponsorships surveyed, the Federal representatives were widely regarded by the CETA staff as interpreters of complex, sometimes ambiguous, and frequently changing Federal regulations. Frequent turnover was evident among the Federal representatives in individual areas. Accordingly, Federal "reps" in an area were often in a poor position to provide the assistance that could be useful to prime sponsors. Greater emphasis on a technical assistance role for the Federal "reps" could increase the usefulness of the "reps" to prime sponsors by involving them in activities such as the planning to get up Private Industry Councils, establishing modern data processing facilities, or in setting up criteria to evaluate the performance of the organizations under contract with the local CETA program to train or place people in unsubsidized jobs.

The introduction of CETA, in effect, has led to the establishment of two major federally supported agencies concerned with placing disadvantaged persons in jobs, CETA and the employment service. Prime sponsor-employment service relationships have varied markedly from one area to another. In some areas, as in Milwaukee, the employment service was regarded by CETA as a major resource in seeking new approaches in placing enrollees in jobs in the private sector. In other areas it was excluded from the CETA program, or the employment service played a minor role, or its presence in the CETA program was due to the insistence of the Regional Office of the Employment and Training Administration. As the major publicly funded labor exchange, the employment service's priorities and activities extend considerably beyond those concerned with the need to serve CETA clients. The effectiveness of the CETA program in most of the communities surveyed would have been increased by a stable relationship between the two organizations involving coordination of their activities and a specific function for each in arranging for training and placing CETA clients.

Changes Primarily Involving Prime Sponsors' Initiative

Many of the changes intended to make local CETA programs more attractive to employers can be introduced at the initiative of the prime sponsors. Others

are likely to represent local responses to changes in national policy or in Department of Labor guidelines and recommendations. Prime sponsors can undertake to defund contractors performing services for them who are unsatisfactory at their own discretion. Or, the Targeted Jobs Tax Credit legislation provides prime sponsors with a new strategy for involving employers in on-the-job training programs.

Changes which could be implemented at the prime sponsor's initiative include such measures as:

1. The Planning Councils in many prime sponsorships should be restructured to include greater business representation and to make them less susceptible to domination by organizations with a direct interest in the allocation of funds.
2. The new Private Industry Councils should have a clearly defined role indicating their relationship to the Planning Council and including an oversight responsibility by the Private Industry Councils for the programs under their sponsorship.
3. Prime sponsors should experiment with new types of approaches and organizations in job development or in arranging OJT programs making use of trade associations, Chambers of Commerce, private contractors, or unions as well as the employment service and community-based organizations.
4. Prime sponsors should involve the National Alliance of Business in their programs, especially in OJT development, and they can involve them more effectively by encouraging established business organizations, such as the Chamber of Commerce, to take an active role in the operations of the local NAB.
5. Prime sponsors should become active participants in local economic development programs as part of their strategy for linking CETA training and placements with the new jobs created in their areas.
6. Prime sponsors should shift more of their resources to on-the-job training programs, and to classroom training provided by employers at their worksite.
7. Prime sponsors should experiment with variable rates of reimbursement in OJT programs which tapered off during the course of training to compensate employers for the high turnover and low productivity of trainees in the early phases of training.
8. Prime sponsors should assume an active role in taking advantage of the new opportunities for placing disadvantaged persons in the private sector by publicizing and promoting the Targeted Jobs Tax Credits among employers.

There are many advisory committees that have been set up in connection with local CETA programs. They have included the Planning Councils, Youth Advisory Councils, the Industry Advisory Committees established under the STIP program and the Private Industry Councils. Multiplying advisory groups in the past has sometimes led to an array of "paper" committees with little influence on programs, and it has encouraged a diffusion of responsibilities and functions among the advisory groups. A first step in strengthening these groups is to change the makeup of the major planning body, the Planning Council, so that they no longer serve to "protect the turf" of the organizations receiving funds by the local prime sponsor. The success of the Private Industry Councils will be significantly affected by the extent to which they have a staff of their own, and a well-defined function within the local CETA program, including oversight authority over the programs conducted under their sponsorship.

Trade associations, Chamber of Commerce, unions, and combinations of trade associations and unions were often among the most successful intermediaries in the areas surveyed in obtaining job or OJT placements. These groups have more options when numbers of new jobs are being created, as in many economic development programs, or when the local National Alliance of Business has become revitalized because a more established business group has assumed an active role in the operations of the NAB office. These considerations suggest that prime sponsors should seek to innovate with the types of organizations involved in placing clients in the private sector. The innovations adopted should also include making use of the intermediary organizations to relieve employers of much of the paperwork burden imposed on employers in OJT contracts

The case studies show that placement rates were consistently higher in OJT than in the other programs intended to lead to regular jobs. Yet enrollments in OJT in the six months extending through March 1977 amounted to only about 14 percent of the total enrollments in the nine prime sponsorships in the Title I programs preparing clients for unsubsidized employment. Nationally, spending for OJT made up only slightly more than 4 percent of all CETA program expenditures in fiscal year 1978. ^{7/} The field studies suggest an effectiveness comparable to OJT for classroom training programs conducted by employers at their place of work. The emergence of bottlenecks for skilled workers in many fields, and the potentials for training CETA clients in more skilled occupations through STIP and similar programs, underscore the importance of a higher priority for OJT and related training programs conducted by employers.

A change in the method of reimbursement could also help make on-the-job training programs more attractive to employers. The current OJT contracts reimburse for-profit employers for what are regarded as the excess costs of training. These are generally treated as the equivalent of 50 percent of the wages paid trainees for up to six months. The productivity of enrollees is usually low and turnover high in early months of training and then diminishes. The flat 50 percent subsidy rate means that costs are frequently incurred by employers that are not offset by the wage subsidy. For this reason, the present subsidy system often serves as a disincentive

^{7/} Congressional Budget Office, CETA Reauthorization Issues, 1978, p.5

to employers rather than an incentive to participate. It could be remedied if the rate of reimbursement were higher at the beginning of training and then diminished. For example, the subsidy might amount to 75 percent of the wages paid in the first month of training and then taper off gradually, say to 25 percent, in the final months. The average subsidy paid per enrollee need be no greater under this arrangement than with the flat 50 percent reimbursement.

The Targeted Jobs Tax Credits introduce a new opportunity for prime sponsors to place disadvantaged persons in unsubsidized jobs. Local CETA programs can play a major role in publicizing the tax credits among employers, and in certifying individuals as persons for whom employers can claim the credit. The tax credits can be particularly important as a way of placing disadvantaged workers in firms, often large firms, which are reluctant to enter into a contract with the prime sponsor to train or hire CETA clients.

There is no one way, as the case studies show, for successfully involving private employers in local CETA programs. Strategies require adaptation to community environments which differ in their industrial and economic structure, the characteristics of their population, and the support of the local business and political leadership. All prime sponsors face common problems in seeking to increase the productivity and employability of persons with labor market handicaps who are substantially overrepresented among the clients of the training programs. Technological changes, foreign competition, collective bargaining, and minimum wage laws have eliminated many of the lowly paid jobs which in an earlier period were filled by persons with limited work skills and education. Ending the structural unemployment created by these changes for CETA enrollees means increasing their productivity. This process involves the cooperation of the business community.

APPENDIX A

THE FEDERAL CETA REPORTING SYSTEM

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THE FEDERAL CETA REPORTING SYSTEM

Introduction

The purpose for examining the existing CETA data reporting system was to ascertain whether or not it was useful in CETA planning to increase private sector involvement in CETA programs. The examination was also intended to show the extent to which the reporting system could contribute to understanding the influence of factors such as local unemployment rates or types of clients served on local CETA program priorities and placements of enrollees in unsubsidized employment.

The national CETA data base consists primarily of information on enrollments and expenditures by activity, and placements and client characteristics for all CETA participants. This data is supplied by local prime sponsors to the Department of Labor on a quarterly basis. It is reported by legislative title. The data used in this analysis were reported for Title I, the major CETA component concerned with unsubsidized employment. This Title includes the activities now found primarily in Titles II and VII of the CETA Amendments of 1978.

The existing CETA reporting system provides a simple mechanism for holding prime sponsors accountable for the use of Federal funds. The system collects the data intended to show whether or not prime sponsors are serving the target populations specified in the Act, are complying with the limitations of the use of funds (for example, the 20 percent limit on administrative costs), and are otherwise meeting the goals set in the prime sponsor's plan which was the basis of the award of CETA monies.

The results of the analysis of the CETA Title I data indicates that the types of information collected in the quarterly reports were useful for these purposes. The data in the reports are less than adequate for monitoring prime sponsors' program priorities and performance in attracting private employers to hire or train CETA enrollees.

A more adequate data base would provide quarterly data by legislative title on enrollments, expenditures, terminations, placements and types of clients served by activity. Distinguishing between placements in private-for-profit employers and government or non-profit employers would provide an additional dimension to the program data in monitoring the performance of prime sponsors in involving the business community in their programs.

Double Counting and Indicators of Prime Sponsor Priorities. The quarterly program and financial status reports for Title I provided information on enrollments and expenditures in prime sponsor classroom training, vocational

education classroom training, OJT, public service employment, work experience, and "other activities." This type of information should be useful in identifying prime sponsor priorities. The proportion of all CETA enrollees and expenditures devoted to the individual programs within Title I concerned with skill training - OJT, or frequently, classroom training - provide indicators of the prime sponsor's priorities in seeking to attract private employers and to emphasize the programs involving active employer cooperation with CETA.

The quarterly reports frequently do not provide the information necessary for this type of assessment because double counting raises questions about the reliability of the data. In comparing classroom training enrollment data collected by The Conference Board in the case studies with those reported to the Department of Labor, it became clear that in Fort Worth, Passaic, and Sacramento, for instance, all CETA vocational education enrollees were provided some CETA service and were counted in both prime sponsor and vocational education classroom training enrollments (see Table 71). In Milwaukee, however, not all CETA vocational education enrollees were receiving CETA services and only 65 percent of the vocational education enrollees were counted twice. Double counting also occurred because of the transfer of enrollees from one activity to another - from classroom training to OJT, for example. In these cases, the double counting would be present for both programs. In Wichita and South Carolina it amounted to 125 percent or more of the actual vocational education enrollees. New Haven provides an example of another variation. New Haven reported enrollees to the Department of Labor rather than enrollments. The proportion of CETA enrollees who are double counted, therefore, varies from one prime sponsor to another. Accordingly, data on enrollments by activity for individual prime sponsors from the quarterly reports lack comparability.

Table 71

Comparison of CETA Classroom Training Enrollments
Reported to The Conference Board and to
U.S. Department of Labor, Nine Prime Sponsors,
October 1, 1976 thru March 31, 1977

	Total, Nine Prime Sponsors	Albu- querque	Cincin- nati	Fort Worth	Mil- waukee	New Haven	Passaic	Sacra- mento	South Carolina	Wichita
123 Total Classroom Train- ing Enrollments Reported to The Conference Board	9,197	591	1,236	508	1,804	330	286	758	3,231	403
Total Classroom Train- ing Enrollments Reported to U.S. Department of Labor	11,521	832	1,384	670	2,179	312	424	1,023	4,169	528
Vocational Education Classroom Training Enrollments Reported to U.S. Department of Labor and Included in Total Classroom Train- ing Enrollments	2,497	238	128	162	581	151	138	265	742	92
Enrollments Reported to U.S. Department of Labor in Excess of Those Reported to The Conference Board	2,324	241	148	162	375	-68	138	265	938	125

Source: U.S. Department of Labor, Employment and Training Administration, and Local Prime Sponsors

Similarly, the total expenditures by government agencies for vocational education classroom training provided to CETA enrollees are sometimes understated. This occurs in cases where the prime sponsor does not report the costs of classroom training provided by existing public educational institutions that are supported by regular State and local revenues at no cost to the local CETA program. In Cincinnati, for example, CETA enrollees who could meet the entrance requirements were trained tuition free at local public colleges and post-secondary schools. The costs reported for training these enrollees could be considerably lower in Cincinnati than, for instance, in South Carolina where CETA funds were used to pay the costs of training enrollees at the public vocational and technical schools. Again, it cannot be assumed that the data from one prime sponsor are comparable with the data from other prime sponsors.

Assessing the Placement Data. While the quarterly program status reports provide data on placements and terminations, the double counting raises serious questions in seeking to generate an accurate count of the enrollees terminating from a CETA activity and entering private or public employment. Moreover, some of those leaving the program will not be available for employment, e.g., those who return to school full time. Without an unduplicated count of enrollees available for placement, no accurate placement rate or index can be computed. However, it could be argued that a placement rate or index, even with double counting, would be a better measure of placements than the positive results rate currently available.

A placement rate is a necessary measure because the positive results rate is likely to conceal changes in the success of CETA in placing participants in unsubsidized employment. As an example, in a period of rising unemployment there might be only minor changes in the positive results rate although there were significant change in placements. Declines in placements would be offset to a considerable extent by increases in the number of trainees, often young trainees in programs such as work experience, who return to school and are counted as "other positive terminations." This would hide a substantial decline in the proportion of CETA participants placed in unsubsidized jobs as job opportunities in the private sector became harder to find. The placement rate concept, therefore, is an important ingredient in assessing prime sponsor performance in translating employability development into regular jobs.

An added problem in measuring placements is that the data reported for enrollments and placements frequently represents a mixture of two cohorts of CETA participants. Placements for any given period often include participants who completed training during the prior period but who were not placed in employment until after the beginning of the current period. This overlapping of cohorts can influence the placement rate and can be important in instances where there are major changes in enrollment levels from one period to the next. To cite a strong hypothetical example, if 100 trainees participated in classroom training in fiscal year 1977 and 20 were placed during the fiscal year,

the placement rate would be 20 percent. If another 20 were placed during fiscal year 1978, while the classroom program was reduced to 50 trainees (all of whom have completed or dropped out of the program but none of whom have as yet been placed), placements for fiscal year 1978 would be 20 and terminations would be 50, resulting in a placement rate of 40 percent for fiscal year 1978. To be meaningful, placement rates should be based on placements and terminations in the same cohort.

More accurate data are provided in the quarterly report on client characteristics but these data are not reported by activity within Title I. The field surveys showed that the characteristics of enrollees in OJT are frequently different from those enrollees in other activities included in the same legislative title, such as classroom training and the placement rates in OJT are substantially higher. Placement rates and the targeting on disadvantaged clients, therefore, should be shown for the separate programs within the title so that the success of each activity can be compared with other activities or with CETA goals.

Problems in Assessing CETA Priorities and Placements in the Private Sector. A better understanding of the factors influencing local program priorities and placements are necessary to assess the performance of local CETA programs or to suggest areas for improvement. These factors include the local economic environment, client characteristics, and prime sponsor organization. It would make little sense, for instance, to expect a prime sponsor with a high proportion of clients who were high school dropouts to report OJT program enrollments comparable to that of prime sponsors whose enrollees in programs intended to lead to unsubsidized employment were largely high school graduates and, therefore, more job ready.

The project has experimented with making use of the Title I data in the CETA quarterly reports for all prime sponsors to see if the data could be used to provide insights into the effects of socio-economic variables and client characteristics on program priorities and placements. Regression analyses were conducted using the Title I cross sectional data. The dependent variables used in the regressions were the percentage of Title I enrollments and expenditures for classroom training and OJT, the major employability development activities. These were used as surrogates for prime sponsor priorities. An effort was made to use the positive results rate as a measure of program success.

The independent variables were the local unemployment rate for 1976, and the proportions of young, educationally handicapped, economically disadvantaged, and minority-group persons among the local CETA clients. Additional dummy variables were included to measure the effect of prime sponsor organization (city, county, consortium, or balance of state) and regional differences.

The regression analyses did not reveal a strong relationship between the socio-economic and organizational factors and the distribution of enrollments

or expenditures, or the positive results rate. The independent variables taken together explained about 27 percent of the variation in the dependent variables (see Table 72). Most of the values, however, were significant at the 95 percent confidence level. This shows what would be expected. Classroom training and OJT enrollments and expenditures as well as the positive results rate were related to the level of unemployment, client characteristics, or prime sponsor type and location. With the possible exception of the age factor, an examination of each of the explanatory variables individually also failed to show a substantial impact on the positive results rate or the proportion of Title I expenditures or enrollments in classroom training or OJT. Surprisingly, the local unemployment rate had a very small impact on these dependent variables although conventional wisdom and the data from the nine prime sponsorships surveyed would suggest otherwise. A number of the coefficients, however, were statistically significant.

Table 72

Summary of Title I Regression Results,
Factors Influencing Enrollments, Expenditures,
and Positive Results Rate, 1975-1976

Dependent Variable	Percent of Variation in Dependent Variables Explained by:							
	All Independent Variables Combined	Unemployment Rate	Client Characteristics 1/				Prime Sponsor	
			Economic	Educational	Race	Attainment	Type	Region
			Age	Disadvantage				
Percent of enrollments in classroom training	26.9%	1.1%	18.0%	1.0%	0.7%	(2)	4.6%	(2)
Percent of enrollments in QJT programs	13.1%	0.5%	(2)	(2)	3.3%	4.6%	2.7%	1.7%
Percent of expenditures in classroom training	11.4%	0.8%	1.7%	1.2%	3.3%	(2)	2.5%	(2)
Percent of expenditures in QJT programs	6.9%	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Positive results rate	17.6%	(2)	10.2%	(2)	(2)	1.1%	2.1%	2.4%

1/ All Title I clients

2/ Omitted because not statistically significant.

Note: All regression results specifically listed are statistically significant at the 95 percent confidence level.

Source: Prime Sponsor Quarterly Reports, October 1, 1975 thru September 30, 1976, and Bureau of Labor Statistics, Division of Local Area Unemployment Statistics.

Because of the inherent weaknesses in the data in the quarterly reports it is not possible to assess the underlying relationship between the socioeconomic factors and prime sponsor priorities or program results. The regression results may reflect the data problems already described rather than a lack of influence of these factors. Similarly, the data in the reports tell little about the influence of prime sponsor strategies on CETA placements. A CETA program in an area with many large employers headquartered locally might be able to reach those company decision-makers whose cooperation is necessary for establishing OJT programs. A prime sponsor needing approval from company executives stationed in other cities would probably have a less successful OJT program although the unemployment rates in the two areas might be similar.

Furthermore, both relatively successful and unsuccessful programs may do more poorly in periods when unemployment is increasing and unsubsidized jobs are becoming harder to find, and they may do better when unemployment is declining and private sector job vacancies increase. The impact of differences in client characteristics may show a similar influence. Regression analyses using cross-sectional data would fail to reveal any strong impact of the local unemployment rates or types of clients served but these factors could, nonetheless, be highly correlated with changes over time in enrollment and expenditure patterns and placement rates. Under these circumstances, time series (rather than cross-sectional) data might give better results. Such an analysis would be complicated by the fact that the changes in the dependent variables could be concurrent with the changes in unemployment rates and client characteristics or lag them by an unknown period of time. However, the use of time series data would be likely to disclose relationships which are concealed by the cross-sectional data.

Local Planning for Private Sector Involvement

Data and conceptual problems such as those described help to explain the importance of the Continuous Longitudinal Manpower Survey (CLMS) utilized by the Department of Labor. However, the longitudinal survey cannot be expected to take the place of the quarterly reports in monitoring local CETA programs nor does it focus on helping prime sponsors in planning strategies to involve private employers in their programs. This type of planning and monitoring would require more detailed and accurate program data on enrollments, expenditures, terminations, placements (particularly placements in for-profit firms,) and client type by activity. These kinds of data would permit the development of indicators which would show the degree to which individual program components contributed to the achievement of objectives for involving the private sector in local CETA programs, especially in placement. Ways of using the indicators to improve program planning are illustrated below.

The simplest indicator is the number of placements in unsubsidized employment from each activity. Since this figure would be influenced by the size of the program or activity, for evaluation purposes it should be translated into a placement rate. The placement rate is simply the percentage of those individuals available for employment during the period, say the fiscal year, who were placed in jobs. The number of CETA clients available for employment

includes all completers and drop-outs except those who returned to full time schooling, are ill or institutionalized, or have otherwise left the civilian labor force. To focus on the private-for-profit sector, the placement rate should further be presented as a proportion of available completers and drop-outs placed in for-profit firms.

Other types of indicators can be prepared to focus on issues that are important to the individual prime sponsor. For example, indicators can be developed to highlight unit costs per placement by different service deliverers, average earnings for persons placed from different activities, or changes in placements by industry or occupation over time. An illustrative comparison of indicators showing the outcomes of programs conducted by different service deliverers is presented in Table 73.

Table 73

Placement Indicators, Job Development Organizations,
Classroom Training Enrollees, Fiscal Years 1977 and 1978

Item	Organization A		Organization B	
	<u>1977</u>	<u>1978</u>	<u>1977</u>	<u>1978</u>
Enrollees available for placement	100	150	200	200
Number of placements	50	60	110	120
Number of placements in private firms	40	45	90	110
Placement Rate	50	40	55	60
Private sector placement rate	40	30	45	55

These indicators show that Organization A has substantially increased its enrollments, but with a less than proportionate increase in total or in private sector placements. This suggests that Organization A may be facing problems in performing at the higher activity level which require the attention of the prime sponsor.

Organization B, on the other hand, has maintained the same level of activity but its placement record has improved both in numbers and in the placement rate particularly among private firms. This organization's performance suggests possibilities for expanding its activity level in the coming year.

A more comprehensive data system would also allow prime sponsors to identify which type of service is most successful in their area for different types of clients as in Table 74.

Table 74

Illustrative Use of the Private Sector Placement Rate for
Different Types of Clients Receiving Various CETA Services

Prime Sponsor Target Population Priorities	Intensive Counseling, and Classroom Skill Training	Classroom Skill Training Only	Intensive Counseling and OJT	OJT Only
Minority clients under 22 years of age	30	25	50	35
Minority clients over 22 years of age	35	30	65	60

This information would indicate that OJT was a more successful program than classroom skill training for both older minorities and for minority youths. Counseling appears to be an important adjunct to both groups, suggesting that clients not receiving counseling (presumably because they do not need the service) might benefit from it.

While the indicators should relate to the final outputs of the program, fiscal year data on results will frequently not be complete until after the program year has ended, making it difficult to identify problems in an activity until it is too late to correct them. These output indicators, therefore, should be supplemented by indicators which can be developed on a more current basis.

Many of the output indicators can be calculated on a periodic, say quarterly, basis which can provide prime sponsors with early warnings of program weaknesses. These indicators can be compared with the figures for the prior year as in Table A-5 or with elapsed quarters of the current year. Other employability development activities, such as adult work experience programs designed to lead to unsubsidized jobs, can be treated similarly.

Table 75

Comparison of First Quarter Fiscal Year 1978 and Fiscal
1979 Classroom and OJT Activities

	1st Quarter Fiscal Year 1978	1st Quarter Fiscal Year 1979
<u>Classroom Training</u>		
Enrollees		
Actual	410	500
Planned	400	520
Implied Expenditures per enrollee		
Actual	\$750	\$850
Planned	\$700	\$750
<u>OJT</u>		
Enrollees		
Actual	40	45
Planned	40	55
Implied Expenditures per enrollee		
Actual	\$550	\$700
Planned	\$600	\$600

While program outcomes cannot be estimated from first quarter data, they can indicate how well the program is doing compared with a prior period. A comparison of actual and planned enrollments is also useful for monitoring the progress of the local employability development effort. The failure to achieve the first quarter planned enrollment levels as in Table 75 may be the result of poor performance by a service deliverer or changes in local economic conditions since the plan was adopted. The prime sponsor examining the first quarter data has advance warning that the plan may need revision or that special efforts will be required to have service deliverers make up the shortfall during the remainder of the fiscal year.

The increased cost per enrollee may reflect the rising costs of training due to inflation. In the case of classroom programs, however, it may mean a shift has taken place to more expensive training facilities or occupational areas. The higher OJT costs may signify that the fiscal year 1979 OJT contracts are for higher paid jobs or with better paying firms or that a higher proportion of OJT slots this year are with government and non-profit employers for whom the reimbursement formula is more liberal.

Whether the higher unit costs will result in fewer clients being served in training activities or require a shift in resources from public service employment or work experience are issues which will have to be dealt with as the fiscal year progresses. However, these problems can be anticipated by an examination of the first quarter data.

Program planning, however, also requires information about why particular programs or service deliverers are performing poorly. A decline in placement due to the referral of clients to training options which do not match their interests or aptitudes would require changes in counseling staff or additional staff training. Low placement rates caused by poor training, on the other hand, might call for changes in the curriculum or in the length of training. In other words, the indicators are useful for highlighting potential weaknesses in the program but they must be interpreted in order to identify problems and to design corrective measures.

The indicators can become an important element in the prime sponsors' management information system to be reviewed periodically by the planning staff and used as a basis for developing the annual plan. Many of the indicators mentioned are already prepared, in one form or another, by numbers of prime sponsors. However, they can be more systematically and, therefore, effectively, used as a way for identifying strengths and weaknesses in local and national CETA planning in attracting private employers to these programs.

APPENDIX B

STATISTICAL TABLES

Table 76

Distribution of Employment by Industry, United States and
Nine Prime Sponsor Areas, Selected Years, 1970-1976

Percent Distribution

	United States (1970)	Average, Nine Prime Sponsors, Selected Years ^a	Albuquerque (1970)	Cincinnati (1975)	Fort Worth (1970)	Milwaukee (1975)	New Haven (1975)	Passaic (1976)	Sacramento (1975)	South Carolina (1970)	Wichita (1975)
Total, All Industries	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
135 Agriculture and Mining	4.5	1.7	1.4	b	1.7	1.0	0.7	b	3.4	4.2	2.7
Construction	6.0	4.6	7.0	2.1	5.8	2.8	3.6	2.4	5.5	6.7	5.7
Manufacturing	25.9	25.6	7.6	29.7	29.3	30.8	25.9	37.9	7.5	35.2	26.3
Transportation, Communication and Public Utilities	6.8	5.3	6.8	2.4	5.9	4.7	8.2	3.3	6.8	4.1	5.2
Trade	20.1	20.8	23.6	15.6	21.3	20.4	20.3	24.2	22.0	16.5	23.3
Finance, Insurance and Real Estate	5.0	4.8	5.9	5.5	5.1	5.1	5.0	4.7	4.3	3.2	4.7
Services	26.2	24.4	38.2	24.8	18.3	23.2	23.7	15.2	33.0	15.4	28.0
Government	5.5	12.8	9.5	19.9	12.6	12.0	12.6	12.3	17.5	14.7	4.1

^aUnweighted arithmetic average^bless than 0.1%

Source: Local prime sponsors

Table 77

Distribution of Employment by Occupation, United States and
Nine Prime Sponsor Areas, Selected Years, 1970-1975

Percent Distribution											
Occupations	United States (1970)	Average, Nine Prime Sponsors, Selected Years	Albuquerque (1970)	Cincinnati (1970)	Fort Worth (1970)	Milwaukee (1970)	New Haven (1970)	Passaic (1970)	Sacramento (1975)	South Carolina (1974)	Wichita (1970)
Total, All Occupations	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Professional and Technical	14.8	17.0	22.4	16.7	16.5	15.0	18.9	17.5	19.5	11.6	15.8
Management Related	8.3	9.1	10.0	6.4	8.4	7.2	8.5	11.2	10.1	9.5	10.2
Sales	7.1	7.6	8.5	7.0	8.2	7.8	7.1	9.2	7.9	5.4	7.2
Clerical	17.9	19.2	19.8	20.0	19.6	18.9	20.1	21.9	21.9	12.9	18.2
Craft Related	13.9	13.2	12.2	9.9	13.8	13.8	13.2	13.4	12.1	15.5	14.6
Operatives	17.6	15.7	8.8	17.7	16.9	19.9	16.7	15.2	8.4	23.7	13.9
Service	12.8	12.9	13.9	17.3	12.2	12.6	11.5	8.5	14.3	12.1	13.5
Laborer	4.5	4.2	4.0	4.8	4.1	4.0	3.6	2.9	3.6	6.3	4.2
Farm	3.1	1.1	0.4	0.2	0.3	0.8	0.4	0.2	2.2	3.0	2.1

Source: Local Prime Sponsors

Table 78

Projected Average Annual Job Openings, Distribution by Occupation, United States and
Nine Prime Sponsor Areas, Selected Years, 1970-1985

Occupations	Percent Distribution										
	United States (1976-85)	Average, Nine Prime Sponsors, Selected Years	Albuquerque (1970-80)	Cincinnati (1974-85)	Fort Worth (1970-80)	Milwaukee (1970-80)	New Haven (1970-80)	Passaic (1975-80)	Sacramento (1975-80)	South Carolina (1974-85)	Wichita (1975-80)
Total, All Occupations	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Professional and Technical	14.9	16.8	17.1	14.6	15.0	16.1	19.3	18.2	17.3	13.4	20.1
Management Related	8.5	9.1	3.7	7.9	11.8	8.3	10.9	8.6	10.2	10.7	9.8
Sales	6.0	8.9	11.4	7.4	9.7	9.0	8.5	10.0	9.6	6.5	8.3
Clerical	28.1	26.6	28.5	29.0	26.7	26.4	30.7	28.1	30.2	17.0	22.0
Craft Related	9.6	8.8	9.8	8.6	9.1	8.6	5.1	6.5	7.1	14.1	10.1
Operatives	11.7	10.1	8.3	10.6	10.8	12.0	9.0	11.2	5.5	15.5	7.9
Service	18.4	17.2	19.4	19.2	14.3	17.0	15.1	15.9	16.9	16.6	20.4
Laborer	2.8	2.3	1.8	2.3	2.6	2.3	1.4	1.5	2.0	5.2	1.2
Farm	0	0.3	N.A.	0.4	0	0.3	0	0	1.2	1.0	0.2

Source: State Employment Security Agencies

Table 79

Selected Population Characteristics,
Nine Prime Sponsor Areas, 1970

Prime Sponsors	Percent of Total Population				
	Non-White	Hispanic	Under 21 Years	Less Than High ^a School Education	Economically ^b Disadvantaged
Average, Nine Prime Sponsors	14.3	7.4	39.8	41.0	13.1
Albuquerque	4.7	39.2	43.9	31.8	16.3
Cincinnati	28.1	0.6	36.9	48.1	17.7
Fort Worth	11.9	6.0	40.5	44.8	10.3
Milwaukee	10.8	1.7	38.5	39.6	9.1
New Haven	12.3	1.9	36.9	39.0	9.8
Passaic	11.7	4.3	36.4	42.2	9.3
Sacramento	9.7	10.1	40.8	31.8	11.2
South Carolina	30.7	0.4	43.4	57.3	23.9
Wichita	8.9	2.3	40.9	34.0	10.4

^a18 years and over.

^bRefers to civilian noninstitutional population earning less than poverty level income.

Source: U.S. Census of Population, 1970

Table 80
Annual Average Unemployment Rate,
United States and Nine Prime Sponsor Areas, 1973-1977

Prime Sponsors	October 1, 1976 thru March 31, 1977	1977	1976	1975	1974	1973
United States	7.6%	7.0%	7.7%	8.5%	5.8%	4.9%
Average, Nine Prime Sponsors	7.8	7.4	8.0	8.4	5.8	5.8
Albuquerque	9.5	8.1	9.8	9.7	7.7	6.6
Cincinnati	8.6	7.3	8.3	8.7	5.9	6.4
Fort Worth	5.4	5.8	N.A.	N.A.	N.A.	N.A.
Milwaukee	5.8	4.6	N.A.	N.A.	N.A.	N.A.
New Haven	9.5	8.1	9.9	9.1	6.1	6.2
Passaic	10.2	9.5	10.5	10.8	N.A.	N.A.
Sacramento	8.8	8.6	8.4	8.7	7.5	7.7
South Carolina	7.2	7.2	6.9	8.7	5.9	4.1
Wichita	5.4	5.0	5.5	5.6	3.6	3.5

Source: U.S. Department of Labor, Bureau of Labor Statistics

Table 81

CETA Enrollments^a, Titles I, II, and VI, and Title I, by Program Activity
 United States and Nine Prime Sponsors, October 1, 1976 thru March 31, 1977

Enrollments:	United States	Nine Prime Sponsors	Albuquerque	Cincinnati	Fort Worth	Milwaukee	New Haven	Passaic	Sacramento	South Carolina	Wichita
Total, Titles I, II and VI	1,456,759	43,476	2,636	2,869	1,896	5,746	2,456	1,253	4,891	20,851	878
Title I	785,680	24,042	1,352	1,874	1,289	3,494	1,424	751	2,748	10,404	706
Title Enrollments as a percent of Titles I, II, and VI	53.9%	61.1%	51.3%	65.3%	68.0%	60.8%	58.0%	59.9%	56.2%	49.9%	80.4%
Percent Distribution of Title I Enrollments by Activity											
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Classroom Training	42.5	53.3	61.5	73.9	52.0	62.4	21.9	56.5	37.2	40.1	74.8
OJT	10.8	14.0	6.0	6.4	14.0	7.7	15.7	13.4	21.7	16.0	25.2
Work Experience	40.6	31.8	32.5	19.5	34.0	29.9	55.5	30.1	40.6	43.7	0.0
Public Service											
Employment	4.0	0.9	0.0	0.3	0.0	0.0	6.8	0.0	0.5	0.2	0.0
Other Activities	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

^aIncludes only CETA participants enrolled in program activities.

NOTE: Data are as reported to the Department of Labor on Prime Sponsor Quarterly Reports. Since Quarterly Reports include double counting in some activities, data may not agree with enrollments reported to The Conference Board used elsewhere in this study.

Source: U.S. Department of Labor, Employment and Training Administration

Table 82

Comparison of CETA Classroom Training Enrollments
Reported to The Conference Board and to
U.S. Department of Labor, Nine Prime Sponsors,
October 1, 1976 thru March 31, 1977

	Total, Nine Prime Sponsors	Albuquerque	Cincinnati	Fort Worth	Milwaukee	New Haven	Passaic	Sacramento	South Carolina	Wichita
Total Classroom Training Enrollments Reported to The Conference Board	9,197	591	1,236	508	1,804	380	286	758	3,231	403
Total Classroom Training Enrollments Reported to U.S. Department of Labor	11,521	832	1,384	670	2,179	312	424	1,023	4,169	528
Additional Enrollments Reported to U.S. Department of Labor	2,324	241	148	162	375	-68	138	265	938	125
Vocational Education Classroom Training Enrollments Reported to U.S. Department of Labor	2,497	238	128	162	581	151	138	265	742	92

Source: U.S. Department of Labor, Employment and Training Administration, and Local Prime Sponsors

Table 83

CETA Expenditures, Titles I, II, and VI, and Title I, by Program Activity,
United States and Nine Prime Sponsors, October 1, 1976 thru March 31, 1977

Expenditures: (in 000's of dollars)	United States	Nine Prime Sponsors	Albuquerque	Cincinnati	Fort Worth	Milwaukee	New Haven	Passaic	Sacramento	South Carolina	Wichita
Total, Titles I, II, and VI	\$1,964,435	\$64,671	\$4,107	\$4,487	\$2,415	\$8,842	\$4,512	\$1,702	\$8,661	\$29,016	\$929
Title I	755,658	25,596	1,872	2,026	1,387	2,813	1,970	838	3,247	10,762	680
Title I as percent of Titles I, II, and VI	38.5%	46.8%	45.6%	45.2%	57.4%	31.8%	43.7%	49.2%	37.5%	37.1%	73.2%
Percent Distribution of Title I Expenditures by Activity:											
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Classroom Training	39.1	39.4	48.7	39.3	32.7	56.6	19.0	40.0	23.9	41.4	52.5
OJT	9.6	14.5	3.2	7.6	21.2	9.5	18.4	16.9	27.8	8.9	17.1
Work Experience	33.9	22.7	19.8	25.7	14.6	26.5	38.1	22.1	28.1	29.6	0.0
Public Service											
Employment	7.3	2.5	0.0	1.5	0.0	0.0	17.7	0.0	2.1	1.1	0.0
Services to Clients	9.1	20.3	28.3	25.9	31.5	7.4	6.7	21.0	13.5	18.3	30.4
Other Activities	1.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	4.6	0.6	0.0

Source: U.S. Department of Labor, Employment and Training Administration

Table 84

Selected CETA Client Characteristics, Titles I, II, and VI, and Title I
United States and Nine Prime Sponsors; October 1, 1976 thru March 31, 1977

	United States	Nine Prime Sponsors	Albuquerque	Cincinnati	Fort Worth	Milwaukee	New Haven	Passaic	Sacramento	South Carolina	Wichita
<u>Titles I, II, and VI</u>											
Number of Clients	1,421,346	49,302	2,729	4,323	2,533	5,570	2,523	2,087	7,385	21,085	1,067
Percent of clients:											
Nonwhite	38.7%	45.0%	17.7%	77.9%	65.3%	51.1%	44.3%	18.4%	31.5%	56.9%	42.4%
Hispanic	12.9	15.2	58.2	0.2	15.4	9.7	12.9	6.9	21.7	0.6	11.5
21 Years and Under	37.3	36.7	33.9	42.7	38.6	40.1	37.7	26.9	37.8	31.3	41.1
Less than High School Education	39.7	38.5	35.2	38.5	53.8	38.5	43.6	24.6	29.7	44.9	37.7
Economically Disadvantaged	65.0	65.5	77.0	69.6	66.7	70.8	70.7	35.0	75.8	63.0	61.1
<u>Title I</u>											
Number of Clients	809,282	28,784	1,445	3,328	1,926	3,318	1,491	645	5,242	10,494	895
Percent of clients:											
Nonwhite	42.0%	50.8%	21.9%	82.4%	68.3%	60.3%	59.8%	24.0%	30.5%	70.3%	39.9%
Hispanic	13.9	17.5	62.4	0.2	16.5	13.4	17.6	12.2	22.0	0.5	12.6
21 Years and Under	50.8	49.6	51.4	50.1	43.1	55.1	57.8	44.7	45.6	53.5	45.4
Less than High School Education	50.6	49.7	55.5	41.3	61.1	55.5	62.3	32.7	37.3	60.0	41.9
Economically Disadvantaged	78.2	79.6	88.7	73.9	74.7	65.9	88.8	69.8	83.8	87.7	63.5

Source: U.S. Department of Labor, Employment and Training Administration

Table 85

Selected CETA Enrollee Characteristics,
Classroom Training and OJT Enrollees,
Nine Prime Sponsors, October 1, 1976 thru March 31, 1977

	Non-White	Under 21 Years of Age	Less Than High School Education	Economically Disadvantaged
Percent of Total Classroom Training Enrollees				
Average, Nine Prime Sponsors	49.3%	42.0%	41.1%	81.4%
Albuquerque	21.0	48.1	49.5	91.4
Cincinnati	85.2	53.6	37.8	82.1
Fort Worth	60.4	42.2	72.7	65.9
Milwaukee	61.0	38.0	40.0	80.0
New Haven	60.0	41.0	60.0	99.0
Passaic	23.0	41.0	19.0	61.0
Sacramento	51.0	35.6	28.2	96.3
South Carolina	56.7	33.4	43.9	82.1
Wichita	25.0	45.0	19.0	75.0
Percent of Total OJT Enrollees				
Average, Nine Prime Sponsors	38.5%	34.9%	31.8%	71.9%
Albuquerque	13.9	46.8	32.9	83.5
Cincinnati	75.7	30.8	31.8	62.6
Fort Worth	37.0	20.0	24.0	53.0
Milwaukee	41.0	53.0	25.0	98.0
New Haven	56.0	23.0	38.0	80.0
Passaic	16.0	25.0	23.0	49.0
Sacramento	35.9	22.3	14.7	87.8
South Carolina	50.8	31.6	44.0	81.6
Wichita	20.0	62.0	53.0	52.0

Source: Local Prime Sponsors

Table 86

Distribution of CETA Skill Training Classroom Enrollments by Occupation,
Nine Prime Sponsors, October 1, 1976 thru March 31, 1977

Occupations	Percent Distribution									
	Average, Nine Prime Sponsors	Albuquerque	Cincinnati	Fort Worth	Milwaukee	New Haven	Passaic	Sacramento	South Carolina	Wichita
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Professional and technical	6.6	5.6	8.1	0	3.0	9.6	2.8	12.1	3.6	14.6
Management related	0.5	0	2.8	0	0.2	0	0	0	0.7	0.7
Sales	0.5	0	0.3	0	0	0	0	a	2.4	1.0
Clerical	42.5	70.0	39.7	19.5	33.6	56.6	64.4	42.6 ^a	22.8	34.6
Craft related	21.1	6.7	11.5	58.8	40.4	19.9	6.9	10.5	21.5	13.9
Operatives	10.6	10.0	8.2	14.0	16.2	0	6.5	17.0	20.1	3.1
Service	14.7	5.8	16.6	7.7	3.1	13.9	19.4	8.7	25.4	32.1
Laborer	0.1	0	0	0	0	0	0	0	0.5	0
Farm	0.2	0	0	0	0	0	0	0.8	0.9	0
Unclassifiable	3.2	1.9	12.8	0	3.5	0	0	8.3	2.1	0

^aSales and clerical reported combined.

Source: Local Prime Sponsors

Table 87

Classroom Training Enrollments in Programs Other than Occupational Skill Training,
 Nine Prime Sponsors, October 1, 1976 thru March 31, 1977^a

	Total Classroom Training Enrollments	Enrollments in Non-Job Skill Classroom Programs	Percent of Classroom Training Enrollments in Non-Job Skill Programs
Total, Nine Prime Sponsors	9,197	3,366	35.6%
Albuquerque	591	161	27.2
Cincinnati	1,236	495	40.0
Fort Worth	508	287 ^b	56.5
Milwaukee	1,804	946	52.4
New Haven	380	214	56.3
Passaic	286	38	13.3
Sacramento	758	111	14.6
South Carolina	3,231	998	30.9
Wichita	403	116	28.8

^aIncludes such programs as basic education for adults, bilingual education, high school equivalency programs, or job interview training.

^bExcludes 48 classroom enrollees enrolled in bilingual job training programs.

Source: Local Prime Sponsors

Table 88

Distribution of Placements of Classroom Training Enrollees by Occupation,
Nine Prime Sponsors, October 1, 1976 thru March 31, 1977

Occupations	Percent Distribution by Occupation									
	Average, Nine Prime Sponsors	Albuquerque	Cincinnati	Fort Worth	Milwaukee	New Haven	Passaic	Sacramento	South Carolina	Wichita
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Professional and Technical	2.1	0	3.9	0	2.0	0	2.4	2.0	2.0	6.3
Management Related	0.4	0	2.0	0	0.6	0	0	1.0	0	0
Sales	1.1	0	2.0	0	0.6	0	2.4	1.0	1.0	2.5
Clerical	42.5	74.2	23.5	46.3	29.8	41.6	51.3	62.0	21.0	33.7
Craft Related	10.6	0	27.4	14.6	10.6	11.1	7.3	2.0	17.0	5.0
Operatives	21.9	9.7	21.6	29.3	40.6	16.7	24.4	8.0	26.0	21.2
Service	18.7	16.1	19.6	9.8	11.2	27.8	12.2	19.0	30.0	22.5
Laborer	2.2	0	0	0	4.6	0	0	3.0	3.0	8.8
Farm	0.2	0	0	0	0	0	0	2.0	0	0
Unclassifiable	0.3	0	0	0	0	2.8	0	0	0	0

Source: Local Prime Sponsors

Table 89

Distribution of Placements of OJT Enrollees by Occupation,
Eight Prime Sponsors, October 1, 1976 thru March 31, 1977

Percent Distribution by Occupation

Occupations	Average, Eight Prime Sponsors	Percent Distribution by Occupation								
		Albuquerque	Cincinnati	Fort Worth	Milwaukee	New Haven	Passaic	Sacramento	South Carolina	Wichita
Total	100.0%	N.A.	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Professional and Technical	5.1	N.A.	0	25.6	1.0	0	14.3	0	0	0
Management Related	2.5	N.A.	6.9	0	1.0	4.8	0	6.0	1.0	0
Sales	3.3	N.A.	6.9	0	0	0	2.4	10.0	4.0	2.9
Clerical	23.9	N.A.	27.6	51.1	19.8	21.4	31.0	25.0	12.0	2.9
Craft Related	15.5	N.A.	17.2	7.0	8.9	16.7	9.5	26.0	24.0	14.3
Operatives	34.0	N.A.	20.7	0	57.4	40.4	19.0	16.0	54.0	65.6
Service	11.9	N.A.	20.7	9.3	11.9	11.9	16.7	14.0	2.0	8.6
Laborer	3.8	N.A.	0	7.0	0	4.8	7.1	3.0	3.0	5.7
Farm	0	N.A.	0	0	0	0	0	0	0	0

Source: Local Prime Sponsors

Table 90

Classroom Training and OJT Placements by
Type of Employer, Nine Prime Sponsors, October 1, 1976 thru March 31, 1977

671		Average, Nine Prime Sponsors	Albuquerque	Cincinnati	Fort Worth	Milwaukee	New Haven	Passaic	Sacramento	South Carolina	Wichita
		Number of Placements									
671	Classroom		31	51	41	349	37	41	123	448	80
	OJT		N.A.	29	43	101	42	42	137	680	35
		Percent Distribution of Placements									
	Classroom Training										
	Private for Profit	74.9%	71.0%	78.4%	82.9%	90.0%	67.6%	87.8%	48.8%	76.0%	71.2%
	Non-Profit	12.1	0	19.6	7.3	5.4	19.1	4.9	10.3	17.5	25.0
	Government	13.0	29.0	2.0	9.8	4.6	13.3	7.3	40.9	6.5	3.8
	OJT										
	Private-for-Profit	78.7% ^a	N.A.	89.7%	11.6%	98.0%	85.7%	64.3%	80.3%	99.6%	100.0%
	Non-Profit	10.6 ^a	N.A.	10.3	41.9	2.0	7.2	16.7	6.6	0.3	0
	Government	10.7 ^a	N.A.	0	46.5	0	7.1	19.0	13.1	0.1	0

^aRefers to eight prime sponsors for which data were available.

Source: Local Prime Sponsors

Table 91

Classroom Training and OJT Placements in Private-for-Profit Firms, by
Establishment Size, Nine Prime Sponsors, October 1, 1976 thur March 31, 1977

Prime Sponsor	Total Private-for-Profit Placements	Percent of Placements in Private-for-Profit Establishments with:	
		500 or More Employees	Under 500 Employees
Albuquerque			
Classroom	22	4.5%	95.5%
OJT	N.A.	N.A.	N.A.
Cincinnati			
Classroom	40	12.5	87.5
OJT	26	3.8	96.2
Forth Worth			
Classroom	34	17.6	82.4
OJT	5	20.0	80.0
Milwaukee			
Classroom	314	22.9	77.1
OJT	99	41.4	58.6
New Haven			
Classroom	25	8.0	92.0
OJT	36	8.3	91.7
Passaic			
Classroom	36	0	100.0
OJT	27	0	100.0
Sacramento			
Classroom	60	15.0	85.0
OJT	110	16.4	83.6
South Carolina ^a			
Classroom	340	12.3	87.7
OJT	677	9.0	91.0
Wichita			
Classroom	57	12.3	87.7
OJT	35	28.6	71.4
Average, Nine Prime Sponsors			
Classroom	928	11.7	88.3
OJT ^b	1,015	15.9	84.1

^aBased on a sample of trainees terminating training.

^bRefers to eight prime sponsors for which data were available.

Table 92

Classroom Training and OJT Placements^a as a Percentage of Terminations,
 Nine Prime Sponsors, October 1, 1976 thru March 31, 1977

	Total Number of Placements		Terminations From Program Activity		Placements as a Percent of Terminations	
	Classroom	OJT	Classroom	OJT	Classroom	OJT
Total, Nine Prime Sponsors	1,201	1,109 ^b	3,911	1,647 ^b	33.2%	65.9% ^b
Albuquerque	31	N.A.	120	N.A.	25.8	N.A.
Cincinnati	51	29	326	55	15.6	52.7
Forth Worth	41	43	104	76	39.4	56.6
Milwaukee	349	101	906	143	38.5	70.6
New Haven	37	42	206	108	18.0	38.9
Passaic	41	42	135	57	30.4	73.7
Sacramento	123	137	235	203	52.3	67.5
South Carolina	448	680	1,729	969	25.9	70.2
Wichita	80	35	150	36	53.3	97.2

^aRefers to placement in unsubsidized employment.

^bRefers to eight prime sponsors for which data were available.

Source: Local Prime Sponsors

Table 93

Affiliation of Planning Council Members,
Nine Prime Sponsors, 1977

Prime Sponsor	Total Number	Percent Distribution					
		Business Firms	Business Associations	Community ^a Organizations	State and Local Government Agencies	Labor Organizations	General Public and Client Representatives
Average, Nine Prime Sponsors	178	13.6%	4.5%	18.7%	37.3%	7.5%	18.4%
Albuquerque	12	16.7	8.3	25.0	41.7	8.3	0
Cincinnati	22	38.5	4.5	13.6	18.2	13.6	13.6
Fort Worth	26	11.5	11.5	30.8	30.9	11.5	3.8
Milwaukee	21	19.0	4.8	23.8	38.1	14.3	0
New Haven	16	6.2	6.2	37.6	25.0	6.2	18.8
Passaic	23	8.7	0	13.0	47.9	4.3	26.1
Sacramento	18	5.6	5.6	16.6	50.0	5.6	16.6
South Carolina	26	3.8	0	7.7	69.3	3.8	15.4
Wichita	14	14.3	0	0	14.3	0	71.4

^aConsists of community based and community service organizations.

Source: Local Prime Sponsors

Table 94

Types of Job Development Organization Used,
Nine Prime Sponsors, 1977

	Albuquerque	Cincinnati	Fort Worth	Milwaukee	New Haven	Passaic	Sacramento	South Carolina	Wichita	Total
Employment Service	X		X	X	X	X		X		6
CETA Staff		X			X	X			X	4
Community Based Organizations	X	X		X	X		X	X	X	7
NAB	X							X		2
Chamber of Commerce				X	X					2
Private Firms		X						X		2
Labor Unions		X		X						2
Trade Association and Industry Groups				X					X	2
Total	3	4	1	5	4	2	1	4	3	27

Source: Local Prime Sponsors

Table 95

Prime Sponsor Linkages with Local Business Organizations,
Nine Prime Sponsors, 1977

Organization	Organization Exists in Prime Sponsor Area	Number of Prime Sponsors in Which:		
		CETA Relationship With Organization Is Nominal	CETA Participation With Organization Is Active	No Relationship
Economic Development Organization	7	2	4	1
Chamber of Commerce	9	0	5	4
NAB Metro Office	8	2	3	3
Total	24	4	12	8

Source: Local Prime Sponsors

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Table 96

Employers Interviewed With and Without Current CETA OJT
Contracts, by Establishment Size, Nine Prime Sponsors, 1977

Prime Sponsor	Number of Employers	With OJT Contracts	Without OJT Contracts	Large ^a	Small ^a
Total	68	30	38	32	36
Albuquerque	10	5	5	4	6
Cincinnati	10	2	8	8	2
Fort Worth	10	4	6	4	6
Milwaukee	8	4	4	6	2
New Haven	7	4	3	2	5
Passaic	6	2	4	2	4
Sacramento	5	2	3	3	2
South Carolina	6	4	2	1	5
Wichita	6	3	3	2	4

^aLarge employers refers to establishments with 500 or more employees; small employers refers to those with under 500 employees.

Source: The Conference Board case studies

Table 97

Reasons for Participation in CETA OJT Programs,
Nine Prime Sponsor Areas,
Employers With Current OJT Contracts, 1977

Reasons for Participation	Large Employers	Small Employers
Financial	4	13
Labor Shortages	3	16
Community Responsibility	1	2
EEO/AAP Programs	2	1
Other	0	5
Total Responses	10	37

Source: The Conference Board case studies

Table 98

Industry Distribution, All Interviewed Employers, and
Employers With Current CETA OJT Contracts,
Nine Prime Sponsors, 1977

	Total Number	Number in Each Industry					
		Agriculture and Mining	Manufacturing	Construction	Trade	Transportation, Communication and Utilities	Finance, Insurance and Real Estate Services
Total Number Interviewed	68	0	39	2	3	7	13
With Current OJT Contracts ^a	30	0	15	1	2	1	10

^aIncludes only private-for-profit employers.

Source: The Conference Board case studies

Table 99

Distribution of CETA OJT Trainees, by Establishment Size,
Employers Interviewed With Current OJT Contracts,
Nine Prime Sponsors, 1977

	Total	Establishment Size					
		Under 10 Workers	10-49 Workers	50-249 Workers	250-499 Workers	500-999 Workers	1,000 or more Workers
Employers With Current OJT Contracts ^a	30	11	8	5	1	1	4
Number of Trainees	223	13	31	22	25	10	122

^aIncludes only private-for-profit employers.

Source: Local Prime Sponsors

Table 100

**Apprehensions of Interviewed Employers Concerning Participation
in CETA OJT Program, Nine Prime Sponsors, 1977**

Apprehension	Employers With Current OJT Contracts	Employers Without Current OJT Contracts	Employers Without Current but With Past OJT Contracts	Total
Excessive Program Cost	2	2	0	4
Poor Trainee Quality	12	11	3	26
Poor Quality of CETA or Delivery Agent Staff	1	12	2	15
Unfavorable Effect on Internal Employer Operations	8	9	0	17
Excessive Government Interference	4	11	0	15
No Apprehensions	10	7	3	20
Total Responses	37	52	8	97

Source: The Conference Board case studies

Table 101

Rating of Trainees' Job Performance by Employers Interviewed
With Current and Past CETA OJT Contracts,
Nine Prime Sponsors, 1977

Employers With Current and Past OJT Contracts	Rating of Trainee Job Performance			Total
	Above Average	Average	Below Average	
Albuquerque	1	2	2	5
Cincinnati	1	2	0	3
Fort Worth	2	2	0	4
Milwaukee	2	1	0	3
New Haven	1	1	0	2
Passaic	2	0	1	3
Sacramento	0	2	0	2
South Carolina	1	1	1	3
Wichita	1	2	0	3
Total	11	13	4	28 ^a

^aSeveral employers with recent OJT contracts did not have sufficient experience with OJT trainees to rate them.

Source: The Conference Board case studies

Table 102

Recommendations of Interviewed Employers for Increasing Business Participation
in OJT Programs, Nine Prime Sponsor Areas, 1977

Recommendations	All Employers	Employers With Current OJT Contracts		No Current OJT Contracts	
		Large Employers	Small Employers	Large Employers	Small Employers
Greater Tax Incentives	20	4	6	8	2
Increased Wage Subsidy	13	1	8	2	2
More Provisions for Upgrading	5	0	3	1	1
Simplified Record Keeping	14	1	4	6	3
Improved CETA Staff Business Understanding	15	1	2	6	6
Improved CETA Trainee Screening	7	1	4	1	1
Other	6	0	3	2	1
Number of Recommendations	80	8	30	26	16

Source: The Conference Board case studies

APPENDIX C

NAMES AND AFFILIATIONS OF PERSONS INTERVIEWED

APPENDIX C

Names and Affiliations of Persons Interviewed

Persons interviewed included the following representatives of the Federal Government and organizations involved with CETA private sector coordination at the national level:

Federal Government

Seymour Brandwein, Director, Office of Program Evaluation, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Anna-Stina Ericson, Assistant to the Director, Office of Community Employment Development, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Robert Jones, Director, Office of Community Employment Programs, Office of Comprehensive Employment Development, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Charles Liberty, Office of National Programs, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Robert J. McConnon, Deputy Assistant Secretary for Employment and Training, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Jack Newman, Office of Policy Evaluation and Research, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Janet Pease, Assistant to the Administrator, Office of Comprehensive Employment Development, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Pierce Quinlan, Administrator, Office of Comprehensive Employment Development, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Jane Rawlins, Office of Program Evaluation, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Harold Rieve, Office of National Programs, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Richard Rosen, Economist, Division of Local Area Unemployment Statistics, Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C.

Jaime Salgado, Program Analyst, Office of Program Evaluation, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

William Shickler, Office of Administration and Management, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Federal Government (Cont'd)

Joseph Seiler, Deputy Director, Office of Program Evaluation, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Ernst Stromsdorfer, Deputy Assistant Secretary for Research and Evaluation, U.S. Department of Labor, Washington, D.C.

William Throckmorton, Office of Policy Evaluation and Research, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

Richard Wagner, Assistant to the Director, Office of Comprehensive Employment Development, Employment and Training Administration, U.S. Department of Labor, Washington, D.C.

National Organizations

Victor Hausner, Project Director, Council for Urban Economic Development, Washington, D.C.

Joseph L. O'Brien, Vice President for Government Relations, National Alliance of Business, Washington, D.C.

Jeff Parker, Deputy Director for Manpower Programs, National League of Cities - United States Conference of Mayors, Washington, D.C.

Delmar Thibodeau, Manager, Planning and Evaluation, National Alliance of Business, Washington, D.C.

Fred R. Wentzell, Vice President for Operations, Planning and Communication, National Alliance of Business, Washington, D.C.

In addition, the following persons were interviewed in each of the case study sites:

CINCINNATI, OHIO, PRIME SPONSOR

Federal Government

Connie Duffy, Federal Representative, U.S. Department of Labor, Chicago, Illinois

State Government

MaryAnn Vennemeyer, Local Office Manager, Ohio Bureau of Employment Services, Cincinnati, Ohio

Local Government and CETA Related

Cameron Beavers, Supervisor Planning Unit, Manpower Services Division,
City of Cincinnati, Ohio

Henry Cristmon, Director, Manpower Services, City of Cincinnati, Ohio

William Fioretti, Private Sector Liaison, Manpower Services Division,
City of Cincinnati, Ohio

Ralph Grieme, Economic Development Consultant, Department of Development,
City of Cincinnati, Ohio

Larry Mannix, Training Section Supervisor, Manpower Services Division,
City of Cincinnati, Ohio

Dr. Saul Pleeter, Consulting Urban Economist, Manpower Services Division,
City of Cincinnati, Ohio

Betty Terry, Manpower Information Services, Manpower Services Division,
City of Cincinnati, Ohio

Community-Based Service Deliverers

Dewey Fuller, Executive Director, The Urban League of Greater Cincinnati,
Cincinnati, Ohio

Sue Padway, Job Developer, Community Action Commission, Cincinnati, Ohio

Raymond White, Executive Director, Seventh Step Foundation of Southwestern Ohio
Cincinnati, Ohio

Private Sector

Garslan Alexander, Regional Service Manager, Volkswagen of America
Columbus, Ohio

James Atkins, Betz Business College, Cincinnati, Ohio

Robert Bowen, Metropolitan Director, National Alliance of Business
Cincinnati, Ohio

Bruce Crutcher, Greater Cincinnati Chamber of Commerce, Cincinnati, Ohio

Maureen Donahue, Personnel Manager, Cincinnati Enquirer, Cincinnati, Ohio

James Grever, President, D.E.S. Inc., Cincinnati, Ohio

Robert Haake, United Auto Workers, AFL - CIO, Cincinnati, Ohio

Charles Henke, Assistant Personnel Manager, American Laundry Machinery,
Cincinnati, Ohio

Private Sector (Cont'd)

E. Grant Hesser, Metropolitan Chairman, National Alliance of Business,
Cincinnati, Ohio

Theodore Hyde, Personnel Manager, American Laundry Machinery, Cincinnati, Ohio

George Jaeger, Personnel Manager, Cincinnati Milacron, Cincinnati, Ohio

Donald Jones, Vice President and Personnel Director, Fifth Third Bank,
Cincinnati, Ohio

William Killens, Area Development Director, Cincinnati Gas and Electric,
Cincinnati, Ohio

James Knox, United Auto Workers, AFL - CIO, Cincinnati, Ohio

Robert Laird, District Service Manager, Volkswagen of America, Columbus, Ohio

John Leahr, Personnel Manager, Cincinnati Gas and Electric, Cincinnati, Ohio

Robert Miles, Manager of Public Affairs, General Electric, Cincinnati, Ohio

Freeman Morgan, Senco Products, Cincinnati, Ohio

Donald Palo, Personnel Manager, Tri-State Foundry, Cincinnati, Ohio

James Patrick, Service Manager, Patrick Tool, Cincinnati, Ohio

James Percival, Personnel Director, Proctor & Gamble, Cincinnati, Ohio

Wen Phillips, Personnel Manager, American Airlines, Cincinnati, Ohio

Eugene Scroggins, Cincinnati Bell Telephone, Cincinnati, Ohio

Ralph Story, Personnel Director, General Electric, Cincinnati, Ohio

William Victor, Vice President for Personnel, Cincinnati Bell Telephone,
Cincinnati, Ohio

Robert Waddell, Manager, Manufacturing & Plant Engineering, General Electric,
Cincinnati, Ohio

Charles Webb, Greater Cincinnati Chamber of Commerce, Cincinnati, Ohio

J. Wendelker, Assistant Personnel Manager, General Electric, Cincinnati, Ohio

Ted Wilborne, Metropolitan Director, National Alliance of Business,
Cincinnati, Ohio

ALBUQUERQUE - BERNALILLO COUNTY CONSORTIUM, NEW MEXICO, PRIME SPONSOR

State Government

Henry Gabaldon, CETA OJT Contract Coordinator, New Mexico State
Employment Security Commission, Albuquerque, New Mexico

Carol Meyer, Executive Secretary, Export Marketing Section, Economic
Development Division, New Mexico State Department of Development,
Santa Fe, New Mexico

Zo Modie, CETA Coordination Unit Supervisor, New Mexico State Employment
Security Commission, Albuquerque, New Mexico

Louis Tapin, CETA OJT Contract Coordinator, New Mexico State Employment Security
Commission, Albuquerque, New Mexico

Local Government & CETA Related

Carlos Duran, Chief, Youth Division, Office of CETA, Albuquerque-Bernalillo
County Consortium, New Mexico

Dr. Manuel Ferran, CETA Planning Board, Albuquerque-Bernalillo County
Consortium, New Mexico

Al Kinney, Assistant to the Mayor for Economic Development, City of
Albuquerque, New Mexico

Harold E. Kinney, Mayor, City of Albuquerque, New Mexico

Dr. Max Leavitt, Director, Skills Center, City of Albuquerque, New Mexico

James MacAleese, Federal Program Coordinator and Director of Adult Training,
Office of CETA, Albuquerque-Bernalillo County Consortium, New Mexico

Robert Ohman, Planner, Office of CETA, Albuquerque-Bernalillo County
Consortium, New Mexico

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